

# Co-Marketing Alliances in Events Industry - Case IIR Finland Oy

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**ABSTRACT**

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## **Co-Marketing Alliances in Events Industry – Case IIR Finland**

### **Objective of the Study**

The objective of this study was to investigate co-marketing alliances in the form of event sponsorship. The motivation for this study came from the industry practitioners, and there was also a research gap in existing literature. This study was to shed light into a main research problem that deals with the motivation and performance of co-marketing alliance in management education industry.

### **Research Method**

This thesis represents a single case study that employs a combination of qualitative and quantitative methods. A survey questionnaire and an unstructured theme interview were used for data collection. The questionnaire was sent to total of 29 partners of IIR Finland Oy, via an online survey instrument.

### **Findings**

The findings of this thesis suggest that there are several different motives for engaging in event marketing: awareness, access to specific customer segment, new customer generation, and influencing the decision makers of the target group. The nature of the co-marketing alliance suggests that there is cooperation not only in marketing, but it can extend to other activities as well; in this case it is the production. Event cooperation has the ability to bring benefits related to awareness and visibility among the target group, thus making it easier to create new contacts, brand related benefits, especially the ability to associate to the topic of the event, as well as give the possibility for customer relationship management. For the evaluation of such a co-marketing alliance, the most important issue is to compare the results against the objectives. There are mainly two kinds of metrics in use at the moment: number of new contacts, and sales. Few issues arose as very fundamental for this kind of event cooperation, and these are goal convergence, commitment, fit between event and target group, and fit between event and partner.

### **Keywords**

sponsorship, alliances, co-marketing alliances, event marketing,

## **Markkinointiallianssit Tapahtuma-alalla – Case IIR Finland Oy**

### **Tutkielman Tavoitteet**

Tutkielman tavoitteena oli tutkia markkinointialliansseja tapahtuma sponsoroinnin muodossa. Motivaatio tälle tutkimukselle nousi alan ammattilaisilta, lisäksi kirjallisuudessa havaittiin puutteita tämän aiheen osalta. Tutkielman tavoitteena oli täten tuoda uutta tietoa tutkimusongelmaan, joka koski markkinointiallianssien motivaatiota ja tuloksia liikkeenjohdon koulutus alalla.

### **Tutkimustapa**

Tutkimus tehtiin case-tutkimuksena, hyödyntäen sekä laadullisia, että kvantitatiivisia menetelmiä. Aineistokeruuseen käytettiin kyselyä, sekä vapaamuotoista haastattelua. Kysely lähetettiin 29 IIR Finlandin partneriyritykselle web-pohjaisen kyselyinstrumentin avulla.

### **Tutkimustulokset**

Tutkimuksen keskeisimmät löydökset osoittavat, että yrityksillä on useita motiiveja tapahtumayhteistyölle, kuten näkyvyys, tietyn asiakassegmentin tavoittaminen, uusasiakas hankinta, sekä päättäjiin vaikuttaminen. Markkinointialliansseille luonteenomaista on yhteistyö myös muiden kuin perinteisten markkinointikeinojen ulkopuolella, tässä tapauksessa tapahtuman tuotannossa. Tapahtumayhteistyöllä on mahdollisuus tarjota erilaisia etuja, kuten tunnettuuden ja näkyvyyden lisääminen kohderyhmän keskuudessa, joka osaltaan auttaa kontaktien luomisessa, brandiin liittyvät seikat, kuten mahdollisuus assosioitua tapahtuman aiheeseen, sekä asiakassuhdetoimintaan. Allianssien arviointiin liittyen tärkeintä on seurata tavoitteiden saavuttamista. Tällä hetkellä yrityksissä on selkeästi kaksi eri mittaria käytössä: uusien kontaktien määrä, ja myynnin mittaristo. Tärkeiksi seikoiksi tapahtumamarkkinointiyhteistyön kannalta nousivat yhteiset tavoitteet, sitoutuminen, tapahtuman ja kohderyhmän välinen sopivuus, sekä tapahtuman ja yhteistyökumppanin välinen sopivuus.

### **Avainsanat**

Sponsorointi, allianssit, markkinointiallianssit, tapahtumamarkkinointi

## **Table of Contents**

1. INTRODUCTION .....	7
1.1 Background .....	7
1.2 Research Gap and Problem .....	9
1.3 Research Objectives and Questions .....	10
1.4 Definitions of Key Terms .....	11
1.5 Organization of the Study .....	12
2.1 What is Sponsorship? .....	13
2.2 Objectives of Sponsorship .....	18
2.3 Creating Image and Awareness through Sponsorship .....	20
2.4 Sponsorship as Relationships and Networks .....	24
2.5 Resource-based Approach to Sponsorship .....	26
2.6 Summary .....	29
3. CO-MARKETING ALLIANCES .....	31
3.1 Defining Co-Marketing Alliances .....	31
3.2 Objectives and Drivers of Strategic Alliances .....	31
3.3 Sponsorship as a Co-Marketing Alliance .....	33
3.4 Summary .....	37
4. EVALUATION OF MARKETING PERFORMANCE IN THE CONTEXT OF SPONSORSHIP .....	38
4.1 Evaluating Sponsorship and Alliance Success .....	38
5. THEORETICAL FRAMEWORK .....	54
6. RESEARCH DESIGN AND METHODS .....	56
6.1 Single Holistic Case Design .....	56

6.2 Data Collection .....	58
6.3 Data Analysis .....	60
6.4 Reliability and validity.....	61
7. EMPIRICAL FINDINGS AND ANALYSIS .....	64
7.1 Description of the case – IIR Finland Oy .....	64
7.2 Presentation and Analysis of the Findings.....	65
8. CONCLUSIONS .....	82
8.1. Research Summary .....	82
8.2 Summary of Main Findings .....	83
8.3 Limitations .....	85
8.4 Managerial Implications .....	86
8.5 Suggestions for further research .....	87
REFERENCES .....	88
APPENDICES .....	96

## **List of Figures**

Figure 1. The Element of Sponsorship. (Bruhn 1987, cited by Olkkonen, 1999) .....	16
Figure 2. Sponsorship Relationships. (Cameron, 2009, 133) .....	17
Figure 3. A Model of Image Creation and Image Transfer in Event Sponsorship. (Gwinner, 1997, 148) .....	22
Figure 4. Sponsorship Brand Strategy framework (Cliffe & Motion, 2005, 1072) .....	23
Figure 5. Conceptualization of the alliance framework. (Townsend, 2003, 152) .....	32
Figure 6 . The Marketing Value Chain. Gronholdt & Martensen (2006, 245) .....	44
Figure 7. The ROI Model (Phillips et al., 2008, 30) .....	51
Figure 8. Framework for Co-Marketing Alliance in Event Sponsorship .....	54
Figure 9. Amended Framework for Co-Marketing Alliance in Events Industry .....	79

## **List of Tables**

Table 1. Business Event Objectives and Associated Metrics. (Stevens, 2005) .....	41
Table 2. The Objectives for Event Participation .....	67
Table 3. Challenges in Reaching the Objectives. ....	68
Table 4. Target Groups of Partners at IIR Finland's Events. ....	70
Table 5. The Most Important Factors in Event Marketing. ....	71
Table 6. Areas for Brand Development through Events .....	72
Table 7. Activities to Exploit Event .....	72
Table 8. Challenges in Reaching the Objectives. ....	74
Table 9. The Most Important Factor for Choosing an Event Organizer .....	78
Table 10. Reasons to Choose IIR Finland's Events .....	78

# **1. INTRODUCTION**

## **1.1 Background**

Co-marketing alliances can offer a vital opportunity for firms to reach outside their organization for help, which go beyond the traditional vertical arrangements. In ideal cases they offer alternatives to reach their target markets without extending themselves outside of their core competences (see e.g. Bucklin & Sengupta, 1993).

Co-Marketing can take various forms, however, in this research educational events play the object of study. Masterman & Wood (2006, 16) describe event industry as dynamic, diverse and expanding, with a great scope of different types of local and global events from sports and arts to business activities. Business events can be roughly classified into four categories of trade shows, channel events, proprietary events and sponsorships (Stevens 2005). In international business all different kinds of events play a significant role in the marketing communications mix. This study looks at event marketing cooperation, in the form of sponsorship.

The global sponsorship market, according to the International Events Group (IEG), has grown from \$24,4 billion in 2002 to \$37,7 billion in 2007, so it seems that many companies have realized the potential of sponsorship as a communication medium, and today finding a large public event without sponsorship is highly impossible (Kover, 2001). In Finland alone sponsorship represents 5% of the total marketing communications expenditure in 2008, growing almost 8% from the previous year (See Appendix 1). Sponsorship is regarded as a cost effective media alternative especially due to a fragmentation of the cohesive advertising audience and improved management of sponsored activities. It is also very appealing method for international marketing, as sponsorship has the ability to go above cultural and language barriers. Despite of the usefulness of sponsorship as a marketing tool, the current economic downturn has had its effects on overall marketing expenditures. Fenton (2009) reminds that any slowing

of sponsorship growth has more to do with macro-economic conditions than the medium itself.

Overall the research on sponsorship has been very practical oriented, lacking scientific frameworks. Also the subject is largely ignored in most marketing textbooks. (Olkkonen, 1999, 19). Academic work on co-marketing alliances can be categorized into two main streams. One stream of research, (See Bucklin and Sengupta, 1993), centers around literature on interorganizational exchange and transaction cost economics to assess the governance aspects of alliances. Another is the work on brand alliances (See e.g. Rao and Ruekert , 1994, Park et al., 1996, and, Venkatesh and Mahajan 1997). Drawing on theories of categorization, signaling, and product bundling, the latter studies offer strategic rationales for brand alliances, and explicit methods for partner selection and pricing (Venkatesh et al. 2000). Although there is a vast literature on different kind of business alliances, only a few of them focus specifically to co-marketing alliances, and none of them look at co-marketing alliances in events industry. As an example, the longevity of alliances has hardly been touched upon (Townsend, 2003).

After discussing with business professionals dealing with event sponsorship, it still seems that from a practical point of view, one of the most critical challenges is the evaluation of the tangible results of sponsorship. The worldwide economic downturn during the past months will make also event organizers' to re-evaluate their offerings and fundamentally understand all potential value of co-marketing alliance to their partners.

This study examines event sponsorship as a form of co-marketing alliance, the case company is a professional service firm from Finland that offers management education



seminars with a vast experience. Sponsorship has been mainly researched in the context of sports and arts; therefore the perspective of professional service firms in this context is fresh.

## **1.2 Research Gap and Problem**

As already mentioned this study investigates sponsorship as a co-marketing alliance. Although there is a lot of earlier research on sponsorship, the view of sponsorship as a co-marketing alliance has received minimum attention in the academic research. While most studies about strategic alliances have focused on other forms, such as joint ventures and R&D collaboration, little research has concentrated on co-marketing alliances. Co-branding is also central theme in this study, most empirical studies in that area have focused on product brands, and only a handful of these have looked into corporate co-branding partnerships. The studies of sponsorship have mainly focused on sport sponsorship, so further studies on other fields are definitely needed. No previous studies, which investigate sponsorship in the context of professional service firms, have been found.

From a practical point of view it seems that despite the amount of different sponsorship and marketing measurement research, the post-event stage is many times unknown by the sponsored organization. The final outcome and the measurement of the effectiveness of the co-marketing alliance is unclear in companies, and the managerial implications have been difficult to articulate. For this reason this study investigates event sponsorship as a co-marketing alliance.

The main research problem is then articulated as: *Why are co-marketing alliances formed and how is their performance evaluated?*

### 1.3 Research Objectives and Questions

The objective of this thesis is to investigate sponsorship as a co-marketing alliance in the context of management education industry. This study attempts to make a rigorous review of existing relevant literature, and also make a contribution to it, and provide managerial suggestions that will guide the decision-making associated with co-marketing alliances and event sponsorship.

The findings will also help the case company, IIR Finland Oy, to identify the value drivers from the point of view of their partner organizations. Moreover the aim is to develop managerial implications that will guide the decision-making associated with co-marketing alliances and event sponsorship.

Based on the established research problem and objectives, and to get a full understanding on this phenomenon following research questions will be answered:

- *What are the objectives and outcome of forming a co-marketing alliance in the context of sponsorship in the field of management education?*
- *How can the outcome of sponsorship as a co-marketing alliance be evaluated? What kind of metrics are in use in companies?*
- *What are the key success factors in co-marketing alliance in the context of sponsorship?*

Answers are sought first from the previous literature on subject, mainly peer reviewed academic publications. The purpose is to find out what has been written about sponsorship, co-marketing alliances and measurement of marketing efforts, especially about the effectiveness of event marketing. This will provide the basis for the empirical part. The empirical study will be conducted with one of the leading firms from the management education industry in Finland.

#### **1.4 Definitions of Key Terms**

*Sponsorship*, can be regarded as the provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives (Meenaghan, 1983).

*Property*, the word property is commonly employed in both literature and practice to describe the sponsored organization or event (Cameron, 2009).

*Event marketing*, can mean either marketing of events, or marketing with events. In this study the definition is the latter (Cornwell & Maignan, 1998).

*Strategic Alliance*, interfirm cooperative arrangement, involving flows and linkages that use resources and/or governance structures from autonomous organizations, for the joint accomplishment of individual goals linked to the corporate mission of each sponsoring firm (Parkhe, 1993).

*Co-Marketing Alliance*, a form of strategic alliance, they are contractual relationships undertaken by firms whose respective products are complements in the marketplace. They are intended to amplify and/or build user awareness of benefits derived from these complementarities. They involve coordination among the partners in one or more aspect of marketing and may extend into research, product development, and even production (Bucklin and Sengupta, 1993).

*Co-Branding*, pairing two or more branded products to form a separate and unique product (Park et al., 1996).

*Professional services firm*, a firm that uses specialist knowledge offering customized solutions to their client (Moffatt and Luck, 2007).

*Value*, in this study value is defined as financial value, unless otherwise stated.

## **1.5 Organization of the Study**

Given the nature of the sponsorship and alliance phenomena, it is necessary to create a thorough understanding of these two main issues in this study. Starting from the most basic research on sponsorship and then going deeper into the phenomenon by reviewing the intertwining research on sponsorship, and especially event sponsorship, while looking at strategic alliances, and especially concentrating on co-marketing alliances in event sponsorship. This study is then organized into eight main chapters:

After the introduction, the literature part of the study is divided into three main chapters. Therefore, Chapter 2 draws from literature on sponsorship, starting from the definitions, then moving into objectives of sponsorship. Then the issues about image and awareness gained through sponsorship are discussed, and then continued to network perspective and resource-based view on sponsorship. Chapter 3 looks at alliances, starting again from definitions and objectives of strategic alliances, then looking how sponsorship fits to the definition of co-marketing alliance. The last part of the literature review, chapter 4, deals with marketing evaluation literature, starting from advertising methods for sponsorship evaluation, then looking how subjective consumer results, behavioral customer results and market results, and financial contribution of sponsorship can be evaluated. After these, the fifth chapter presents the theoretical framework.

The research design of single case study and methods of interview and survey questionnaire are presented in the sixth chapter, continuing to next chapter, where the IIR case is described, and the findings of the case study are presented and analyzed. The final chapter is the conclusion with summary of the main findings, limitations of the study, managerial implications are also discussed, as well as the suggestions for further research.

## **2. SPONSORSHIP**

The following literature review will present the relevant previous research on sponsorship, co-marketing alliance and marketing performance evaluation. Sponsorship phenomenon is reviewed first, starting with definitions related literature, then moving into objectives, and then presenting three research streams related to sponsorship.

### **2.1 What is Sponsorship?**

Sponsorship has the potential to transcend cultural boundaries making it an important the tool for global marketers (Miyazaki and Morgan, 2001), still the academic attention towards event sponsorship specifically has been quite low. Classic marketing communications methods, such as advertising and sales promotion, rely on push strategies. A more interactive tool for marketers is the use of different kinds of events, offering a two-way dialogue between the marketer and target audience (Wohlfeil & Whelan, 2006). When these events are used in collaborative manner between organizations usually involving an investment in return for exploitation of commercial possibilities a term sponsorship is used. However, the term sponsorship has been criticized for its implication of one-sided relationship, where the sponsor provides the fee, and associates the effort with philanthropy, although commercial purposes exist as well (Zyman, 2001). Instead it has been suggested that sponsorship relationships have the potential to develop into co-marketing alliances where the product, brand, or corporate image of the alliance partners are marketed together as a system (Varadarajan & Cunningham, 1995).

Sponsorship has existed for a long time in various forms, but it's formal recognition, as a potential tool of marketing communications has happened not so long ago (Olkkonen, 1999, 15). Meerabeau et al. (1991) point out the growth of sponsorship in the 1980's was mostly driven by the tobacco industry, which needed an alternative medium for promotion, as traditional communication outlets were restricted by regulations or by

voluntary codes. Soon the alcoholic drink industry followed discovering the cost-effective method of promotion. Their example has then led other sectors to take on sponsorship as one tool for marketing communications. Today corporate sponsors have expanded in terms of their range; Meerabeau et al. (1991) for example categorize sponsorship into five categories of sports, arts, conservation and charities, education and media.

Some researchers propose that there are two forms of sponsorship, philanthropic sponsorship and commercial sponsorship (Masterman 2007, 28). The philanthropic sponsorship can be defined as a tool for improving corporate image through goodwill, and commercial sponsorship on the other hand is something that is used to fulfill specific business objectives (Calderon-Martinez et al. 2005). Meenaghan (1991) sees commercial sponsorship as an investment with direct benefits, whereas philanthropic sponsorship is more of a business donation with indirect benefits to community rather than to the donating organization. Masterman (2007, 28) still points out that even in philanthropic sponsorships there are some benefits for the organization. So, unless the donation is anonymous and therefore purely altruistic, the recognition and goodwill achieved by the donation can be further used to gain commercial benefits.

Meenaghan (1983, 8) has also attempted to define sponsorship. However, because of the different ways of use sponsorship it is difficult to decide its place in the marketing communications mix. Depending on the industry the function of sponsorship may be close to advertising, personal selling or sales promotion. Also sponsorship as a term has varied, in US it is used for situations where a company pays for a broadcast programme into which advertisements for its product are brought in. Sometimes sponsorship is used in situations describing government subsidiaries for a certain projects.

Another definition is offered by Simkins (1980, cited by Meenaghan, 1983): “(1) A sponsor makes a contribution in cash or in kind — which may or may not include services and expertise — to an activity which is in some measure a leisure pursuit, either sport or within the broad definition of the Arts. (2) The sponsored activity does not form part of the main commercial function of the sponsoring body (otherwise it becomes straightforward promotion, rather than sponsorship). (3) The sponsor expects a return in terms of publicity.” Meenaghan (1983, 9) points out that first of all the term leisure does not include certain sponsorship types for example educational sponsorship, also the term publicity does not fully represent the motives of sponsorship. Instead he suggests that: “sponsorship can be regarded as the provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives”.

Olkkonen’s (2001) view seems very accurate for today’s purpose: “In sponsorship arrangement all parties can be active and all parties expect to somehow benefit from the arrangement.” In Figure 1 the elements of sponsorship are illustrated, focusing also on the relationship side between sponsor and sponsored.

The term "event marketing" is used to describe a variety of activities, including the "marketing of events and marketing with events" (Cornwell and Maignan, 1998, 5). The marketing of an event is nonrelated to sponsorship, whereas marketing with events entails the promotion of sponsors through the sponsorship vehicle. The latter, marketing with events, helps to accomplish the firm's objectives through event-related communications and experiences. A major difference between marketing with an event and many other communication methods is that events offer opportunities for personal interaction with products (Sneath et al., 2005). Event marketing is defined as the "practice of promoting the interests of an organization and its brands by associating the organization with a specific activity" (Shimp, 1993, 8, cited by Close et al., 2006).

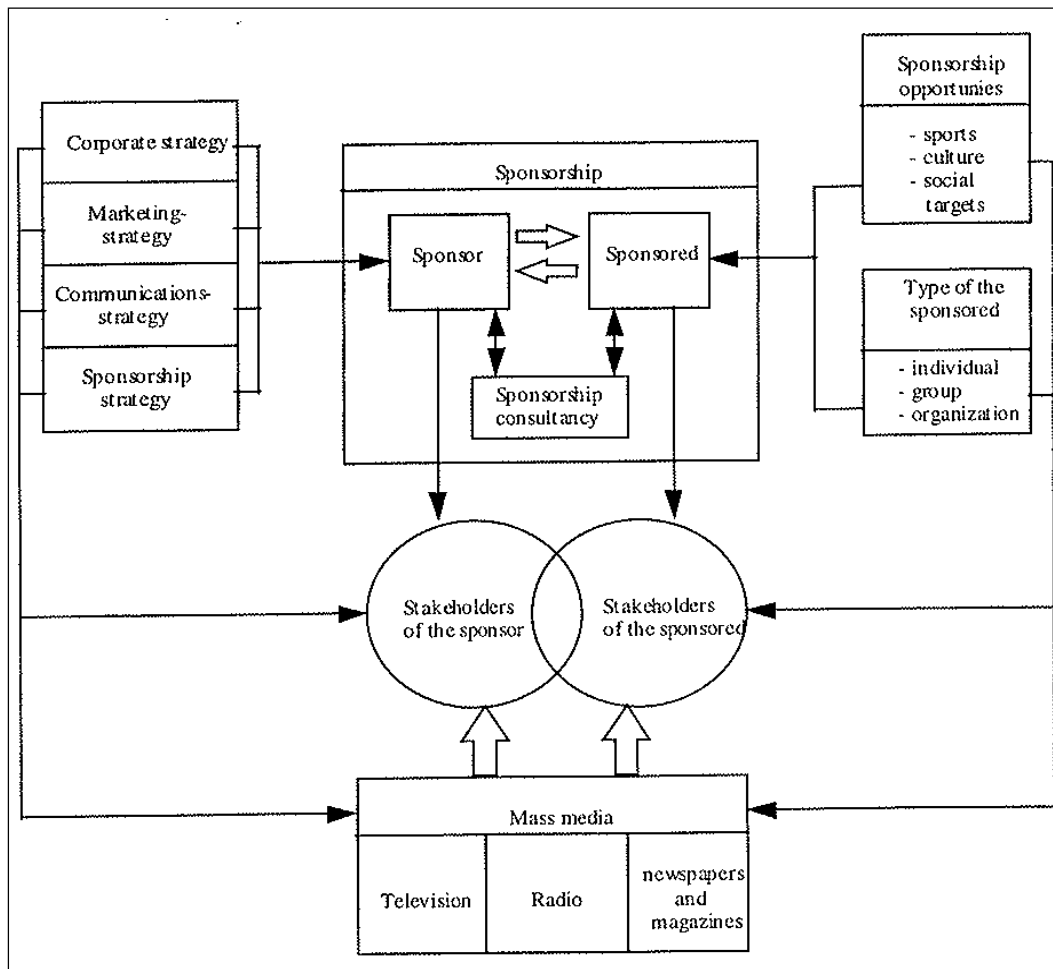
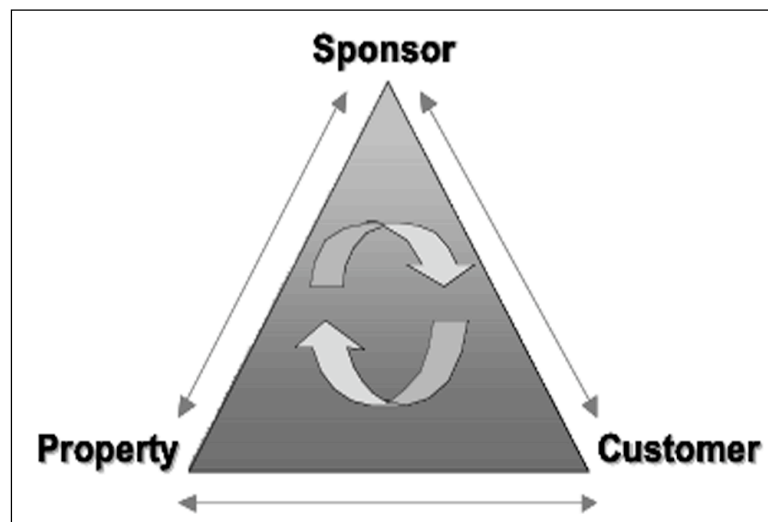


Figure 1. The Element of Sponsorship. (Bruhn 1987, cited by Olkkonen, 1999)

Event marketing often involves sponsorship, but principally event marketing refers to the organization of an event, or the desire to be associated with another organization's event (Close et al., 2006). Drengner et al., (2008) suggest that event marketing and event sponsorship has to be clearly differentiated, although these both methods may be used to fulfill similar goals. Marketing events are self-staged while event sponsorship means participating events organized by a third party. Also the message conveyed through sponsoring is subject to possible limitations by the sponsorship agreement.



However a more recent view of sponsorship relations can be seen below in Figure 2. The main point about sponsorship is that it involves interactions between three key parties: a sponsor, a property and a customer. Unlike advertising, which is a two-way relationship between an advertiser and a customer, sponsorship is a three-way relationship. The interactions between these three parties directly affect the effectiveness of the sponsorship. The property and customer relationship is concerned with a consumer's emotional engagement and attitudes towards a property. This is clearly incremental as the stronger the bond between property and customer, the more effective the sponsorship. The second relationship is the one between property and sponsor. A strong fit between a property and a sponsor will be far more likely to deliver a more effective sponsorship campaign than one that has a weak fit or one that actually has negative perceptions. The third relationship is the one between the sponsor and the consumer. Despite the fact that the objectives in each individual situation may be different, sponsorship is a useful tool to change the consumer behavior and attitude. (Cameron, 2009)



*Figure 2. Sponsorship Relationships. (Cameron, 2009, 133)*

## **2.2 Objectives of Sponsorship**

As stated in the previous sections, sponsorship is associated to number of marketing situations; it is a phenomenon of multiple purposes. Next it is justified to look at the literature concerning objectives of engaging in sponsorship. Tripodi (2001) proposes that the absence of clearly defined sponsorship objectives is the first sign of a sponsorship investment lacking proper articulation. He suggests that, providing that synergy exists between the activity being sponsored and the brand providing the sponsorship, both sides of the transaction should benefit from the activity. Many scholars have identified two levels of sponsorship objectives, corporate and product related (Skinner and Rukavina, 2003).

Another school of thought proposes that two of the most important objectives are: to increase brand awareness; and to establish, strengthen, or change brand image (Meenaghan, 1991; Meerabeau et al. 1991). Shanklin and Kuzma (1992) reported that the two main sponsorship objectives were to enhance corporate image (corporate objective) and to increase awareness of brands (marketing objective). The most commonly cited objectives for a firm engaging in sponsorship are to increase brand awareness and to improve brand or corporate image (Gwinner, 1997).

As sponsorship is a communications tool, Masterman and Wood (2006) present four general categories for the communications objectives of sponsorship: 1) To provide information and through that create brand awareness, 2) to enhance attitudes through changing perceptions of the organization, product or brand, 3) to influence intention by building product category wants and facilitating purchase, and 4) to increase or stabilize demand.

Perhaps Meenaghan (1983, 13) offers the most thorough review of objectives. In his taxonomy of sponsorship objectives classify six different categories of objectives for

sponsorship: 1) broad corporate objectives, 2) product-related objectives, 3) sales objectives, 4) media coverage, 5) guest hospitality, 6) personal objectives. The first category contains various objectives that are related to corporate image building, so sponsorship may be seen a) as a medium for community involvement, b) to increase public awareness of the company, c) to alter public perception, d) to build a goodwill among opinion-formers and decision-makers, e) to reassure policy holders and stockholders, f) to counter adverse publicity, g) as an aid to staff relations, h) to assist staff recruitment, i) to identify with a particular market segment, j) to facilitate prospecting for the salesman, k) other broad corporate objectives.

The second area of product-related objectives consists of many very similar factors than the previous area of corporate image building, for example to increase product/brand awareness or to alter market perception of the product/brand (Meenaghan, 1983, 18). Meenaghan (1983, 19) stresses the importance of sponsorship expenditures to ultimately contributing to sales and profit aims.

So, the third objective category is the sales objectives. Meenaghan argues that only personal selling has the ability to actually sell from the marketing communications mix, and all of the other elements only assist in the selling process. So, sponsorship forms an important stimulus in the multi-stage, multi-influence activity of the selling, however it could be used in a more direct way to affect the sales objectives.

The fourth category, the achievement of media coverage, is seen as one of the most important objectives (Meenaghan, 1983, 20). Media coverage is an intermediate objective in its nature, as opposed to final objective such as achievement of sales or market awareness. However, this is an important objective for companies seeking a cost-effective medium for the promotion of the company/brand.

Guest hospitality, the fifth category for sponsorship objectives, in some areas of sponsorship, can provide an informal setting for influencing the opinion formers, decision makers, clients or even own personnel. The last category of personal interest in a specific sponsorship activity on the part of a chief decision maker is quite often a key motivation for the selection of specific sponsorship as a promotion medium and for the specific choice of a favored activity as an appropriate vehicle. Meenaghan stresses the importance of this particular category, many times personal objectives play bigger role than expected.

Objectives of sponsorship from the point of view of the property have virtually been ignored in the current sponsorship discourse. Could it be that the only objective for them is the sponsorship fee, and no marketing related purposes are relevant? This is one question that this study attempts to find an answer.

### **2.3 Creating Image and Awareness through Sponsorship**

Image and corporate awareness, as established in the last chapter, are one of the most significant reasons for entering into a sponsorship agreement. The focus should be on long-term effects, rather than measuring merely the impact immediately after the event for short-term effects (Rajaratnam, 1995).

Brand image was identified initially a part of the wider process of developing brand value (equity) (Gardner and Levy, 1955). Later it has been defined as "how customers and others perceive the brand" (Aaker, 1996, 69). Smith (2004, 458) adds that brand image can be seen as a multidimensional construct made up of a wider set of brand associations. It also implies that these associations transfer from the brand to consumer memory. Brand equity, however is a widely used term for the intangible marketing asset (Aaker, 1991, 1996). Srivastava and Shocker (1991,5) cited by Ambler et al. (2004) define brand equity as "a set of associations and behaviors on the part of a brand's

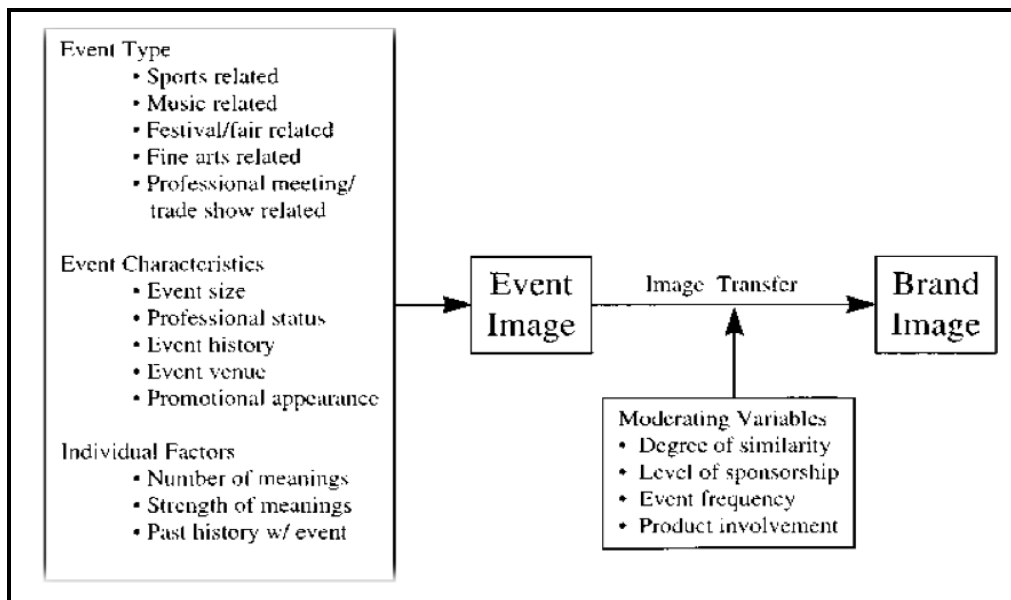
customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name and that gives a strong, sustainable and differential advantage".

Rajaratnam (1995) studied the long-term effect of sponsorship on corporate and product image. He concluded that sponsorship has positive effects on awareness on long-term, also the effect was seen almost immediately providing thus a quick way to improve awareness. Also sponsorship was found to have a greater impact on awareness than product advertising.

Cunningham et al. (2009) focus on the relationship between corporate image and sponsorship. A little empirical investigation has been dedicated to understanding the role sponsorship plays in corporate image, and the link between identity and image has mostly been left unexplored. McDonald (1991) has suggested that sponsorship has significant power in changing the corporate image. Also Javalgi et al. (1994) have suggested that sponsorships can enhance corporate identity. Shared characteristics (Javalgi et al., 1994), favorable images and high visibility (Stipp & Schiavone 1996) of the sponsor and sponsored organization are important in this image value transfer.

Gwinner (1997) attempts to present a model explaining the mechanisms by which brand image may be impacted through sponsorship activities. His model of event image transfer is based on celebrity endorsement model by McCracken (1989), he suggested that endorsement effectiveness is better explained by the meanings consumers associate with the celebrity endorser and subsequently transfer to the brand. According to McCracken, the meaning attributed to celebrities moves from the celebrity endorser to the product when the two are paired in an advertisement. That is, meanings associated with the celebrity become associated with the product in the mind of the consumer. To complete the meaning transfer process, consumers acquire the meaning in the product

through consumption. Gwinner then suggests that the same way as consumers associate celebrities with certain meanings, events can be associated with specific characteristics. The framework presented in figure 3 theorizes from McCracken's celebrity endorsement model to suggest that event image is formed from a number of factors. Through sponsorship, an event's image, which may be relatively distinct for different consumer groups, may be transferred through association to the sponsoring product. Also as seen in the figure, several variables may moderate the strength of this image transfer.



*Figure 3. A Model of Image Creation and Image Transfer in Event Sponsorship.*  
(Gwinner, 1997, 148)

As mentioned earlier, the fit between the sponsorship parties seems important. Otker & Hayes (1995, 94) have studied the reinforcing factor of sponsorship. According to them the chance of an effective sponsorship is maximized when there is a match between: “the target group of the company and the target group of the event, the desired image of the company and the image of the event, the media covering the event and the target audience of the company or brand, the product (characteristics) promoted and the authority/credibility of the sponsoring party helping to promote it”.

Sponsorship does not usually convey a specific message, so if a company seeks to

communicate a message, it will most likely need to use some other marketing activities. The credibility of the event and that of the sponsor are highly connected, if the fit between the parties is not appropriate the sponsorship may cause negative impacts (Otker & Hayes, 1995).

Cliffe & Motion (2005) examined the role of sponsorship in brand strategy. The framework they developed through an empirical study is summarized in figure 4. They divided the objectives related to sponsorship in to four categories: consumer –, stakeholder –, channel –, and employee objectives.

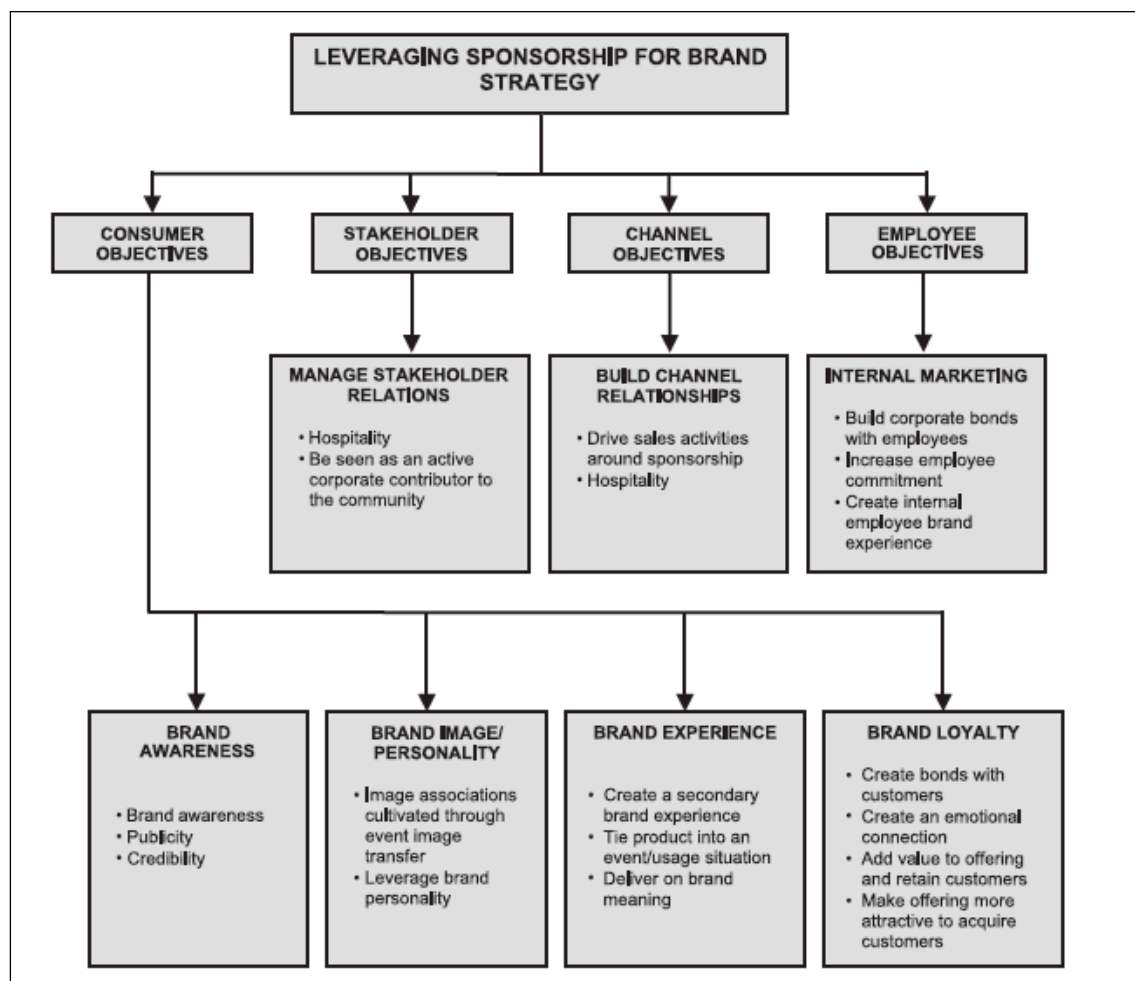


Figure 4. Sponsorship Brand Strategy framework (Cliffe & Motion, 2005, 1072)

Employee objectives relate to internal marketing, especially with sport sponsorship it is easy to use it also for employee events and strengthening employee commitment, and creating internal brand experience. Channel objectives associate with relationship building, driving channel sales opportunities, as well as corporate hospitality. Hospitality is one of the objectives for managing stakeholder relations as well.

Consumer related objectives are the most extensive part of the sponsorship strategy. They are further divided into brand awareness, brand image/personality, brand experience, and brand loyalty. The authors suggest that especially mass audience events are good for increasing brand awareness. For building brand image or altering its personality niche activities were found to be most suitable. Despite the fewer attendees in these kind of events, they help the brand to position itself among the wider market. To create an experience, which eventually contributes to the brand equity, is important part of the findings of Cliffe & Motion. Experiences are what communicate the meaning of a brand. Sponsorship can be used for this purpose, it offers a platform from which to create brand experiences. For this type of objectives, the authors suggest manufacturing a specifically branded event controlled and designed by the sponsor. Brand loyalty can be enhanced by sponsorship, associated to the experiences offered through special events; at its best it also strengthens the emotional engagement between consumer and brand.

## **2.4 Sponsorship as Relationships and Networks**

There is a stream of research focusing on the network perspective on marketing and more specifically in sponsorship. Olkkonen et al. (2000) have been in the front line in this research, according to them sponsorship research can improve by applying the network perspective. Here the focus is on understanding the development of sponsorship relationships and networks. The term interorganizational network is being used to refer to a wide range of phenomena, but Möller & Svahn (2006) define business nets as intentional interorganizational structures which firms design deliberately for



specific purposes. They are coalitions of autonomous but interdependent firms that are willing to coordinate some of their actions and sometimes even to submit part of their activities and decision domains to centralized control in order to achieve benefits that are greater than any single member of the net can create independently.

Sponsorship arrangement in many cases involves of exchange relationship between the sponsor, recipient and other relevant organizations, there has not been attempts to research the content or structure of sponsorship networks (Olkkonen, 2001). Although the network approach has been criticized for a lack of its ability to provide managerial implications, however, role of network research is to sensitize managers to network thinking, to deepen practitioners' understanding of what is happening in an interorganizational context, and in this way also help them to “manage in the broadest sense” (Olkkonen et al. 2000). According to Olkkonen et al. (2000) network approach can be used in variety of sponsorship contexts, there is no limitation regarding the type of sponsorship. They stress that sponsorship relationships cannot be examined in vacuum – all of these activities must be placed in their social, cultural and historical contexts. Sponsorship relationships and networks involve different levels of aggregation, from individuals to collectives. Olkkonen (2001) sees that a deep understanding of the relationship between a sponsor and sponsored could also offer a fresh perspective to effects-measurement research. A broad conceptual model within the network approach consists of three basic groups of layers: actors, activities and resources. The first layer in the model is formed of actors, the actors control the activities and resources. The activity, the second variable, occurs when one or several actors combine, develop, exchange or create resources by utilizing other resources. Performing activities requires resources, the third basic layer of substance in the model of the industrial networks. (Håkansson & Snehota 1995, 1997; Håkansson & Johansson 1992)

Olkkonen (2001) conducted a research using the above-described framework. He studied networks in the context of sport event. He concludes that the network approach can be seen as a strategic and operational tool for sponsorship planning. It gives a holistic picture of the whole sponsorship activity, looking at the central relationships, activities and resources in the sponsorship net.

Regarding the scope of this study the network perspective is too wide and maybe too abstract to employ in the empirical part, although for further studies it could be interesting path to take.

## **2.5 Resource-based Approach to Sponsorship**

Having its origins in a seminal article by Wernerfelt (1984), the resource-based view (RBV) of the firm has evolved into an extensive body of literature. According to this view a firm's resource can be a source of rent generation and competitive advantage. Not all resources are equally important or do they have the potential to be a source of sustainable competitive advantage. Much attention has focused, therefore, on the characteristics of advantage-creating resources. The essential conditions common to the different typologies that classify advantage-creating resources appear to be value, barriers to duplication and appropriability (Farrelly et al., 2000).

Amis et al. (1997) in their study talk about companies that are not no longer prepared to enter into a sponsorship without a solid idea of whether the investment will realize a competitive advantage. A theoretical framework for a resource-based approach to sponsorship developed by Amis et al. (1997) claims to offer practitioners a discriminatory power to differentiate between potentially good and bad sponsorship opportunities. According to them, for a sustainable competitive advantage to be procured by a sponsorship deal, the sponsoring company must use a resource that

heterogeneously distributed across the industry, imperfectly imitable, imperfectly mobile, and offers ex-ante limits to competition.

According to the authors, successful sponsorship deal can be seen as a heterogeneous distribution of resources. A smart exploitation of the industry or firm image through a complementary sponsorship arrangement can result in a unique resource. The second precondition is imperfect imitability, meaning that for a resource to generate a sustainable advantage it has to be difficult to imitate or substitute. For a sponsorship to be imperfectly imitable and have an ability to generate competitive advantage it must produce a unique outcome that fits well with the image of the sponsor. It is also important that the resource should not be unrelated to a firm's strategy. The third precondition is imperfect mobility that ensures that competing companies are not able to acquire these resources so quickly. The fourth precondition, the presence of ex-ante or up-front limits to competition, meaning that before establishing a superior resource position, there must be limited competition for that position. In the end, when a particular resource is recognized as a beneficial asset, the competitors would acquire it as well, removing its any potential for sustainable advantage. Uncertainty or risk for entering a new market or adopting a new position are reasons for limited competition.

The resource-based approach to sponsorship by Amis et al. (1997) was developed and tested in the field of sports, however it seems that it could be applicable in other kinds of sponsorships as well. It might be useful for sponsor, who is either looking for a sponsorship location or evaluating the future potential of existing sponsoring agreements. Amis et al. (1997, 94) conclude that there is traditionally two different ways of turning intangible resource of sponsorship into a sustainable competitive advantage, first is fiscal preponderance: spending money on as many teams or event as possible, and then hope that at least one of the relationships would turn into what Nike has enjoyed with Michael Jordan, and the other one is serendipity: trying to form a long-term contract with a low-profile event or team and then hope it will develop to

something valuable. The authors also underline that it requires time and cooperation with numerous teams or events that all fulfill the four above-mentioned preconditions in order to develop an intangible resource like sponsorship into a sustainable advantage.

Farrelly et al. (2000) extend the work of Amis et al. (1997), and they contend that sponsorship can become a source of competitive advantage if key resources are identified and effectively implemented in the marketplace. For a resource to be a potential source of competitive advantage, it must be valuable or enable the creation of value. This is in most cases done by either cost leadership or differentiation. In sponsorship, related resources are valuable if they enable the transfer of the unique image associations of the property, to the sponsors' corporate or brand image. Competitive advantage through sponsorship is almost always about differentiation.

A sponsor should develop and deploy a number of resources and capabilities to generate maximum return. In particular there are a number of intangible resources important to successful sponsorship execution and which may be difficult to duplicate and thus be significant in the pursuit of sustainable advantage. Farrelly et al. (2000) thus present three different resources: market oriented capabilities, brand building capabilities and collaborative capabilities.

Market orientation and market-oriented behaviors have been illustrated as a critical resource (Hunt & Morgan, 1995). Despite their importance, the organizational capabilities have been ignored in the sponsorship research. It could be expected that a sponsor engaging in market oriented behaviors would be better in understanding the buying patterns and desires of their partners target consumers. As corporate or brand positioning objectives are the primary aims in sponsorship directly relating to an alignment with the image of the sponsorship property. Evidence of this rub-off or halo effect has been found in a variety of sponsorship types, and many sponsors hope that a

partner's image will define, enhance, or even repair their own. A critical sponsorship competency is the ability to grasp the inherent value of the sponsorship property and infuse it into the sponsor's brand. There is a reason then that it would be beneficial for both parties to have an understanding of both brands, the demographic and psychographic fit between existing or potential target markets of both parties, the values represented by the brands for these target consumers, and how these values can be communicated through sponsorship objectives. Collaborative capability is the third resource. Collaborative communication focuses on the nature and impact of communication designed specifically to integrate firms in their efforts to produce mutually beneficial outcomes.

Farrelly et al. offer a good overview on critical factors that help planning and evaluating sponsorship, however this framework is not sufficient for the purpose of this study. In the context of this study, a pragmatic evaluation method is needed to get an indicator for the immediate impact of co-marketing efforts in a form of sponsoring a management education event, and the possible aggregate effects of continuing the relationship long-term.

## **2.6 Summary**

In the light of above reviewed literature, sponsorship is a three-way relationship between property, sponsor and customer. The objectives of sponsorship relate to various marketing situations, such as brand-, product- and sales-related objectives. In addition to brand image and awareness related benefits, sponsorship can also be seen as a medium for networking, in some cases, a successful sponsorship is a valuable resource and a source for competitive advantage, as proposed by certain scholars supporting the resource-based view of sponsorship.

The network perspective on sponsorship has been one stream of research, based on the idea of interorganizational network, where interdependent firms are willing to coordinate some of their actions to centralized control in order to achieve benefits that are greater than any single member of the network can create alone. While there has been criticism towards the network approach for lacking to provide managerial implications, still the role of network research is to sensitize managers to understand the role of their firm in interorganizational context, and help them to see the big picture.

Another stream of research is the resource-based view on sponsorship, the proponents of this view see sponsorship as a source of competitive advantage if key resources are identified and effectively implemented in the marketplace, they must be valuable or enable the creation of value, and in sponsorship, the resources associated to it are valuable if they enable the transfer of the unique image associations of the property, to the sponsors' image. This study purposely leaves out the network and resource-based view, and concentrates on other benefits that sponsorship can bring.

### **3. CO-MARKETING ALLIANCES**

This chapter reviews literature on co-marketing alliances, starting again with definitions, then moving into objectives, and finally in the last section discussing more specifically about sponsorship as a co-marketing alliance.

#### **3.1 Defining Co-Marketing Alliances**

Co-marketing alliances are considered as a specific type of strategic alliance. It is one kind of business-level competitive strategy, horizontal complementary strategic alliance, whose primary focus is on creating a competitive advantage in specific product markets by pooling resources and capabilities of firms (Thoumrungroje & Tansuhaj, 2004). The scope of co-marketing alliances is limited to marketing activities such as customer service, marketing, promotion, and distribution (Bucklin and Sengupta, 1993; Varadarajan and Cunningham, 1995). However Bucklin and Sengupta (1993) add that co-marketing alliances involve coordination among the partners in one or more aspect of marketing and may extend into research, product development, and even production.

#### **3.2 Objectives and Drivers of Strategic Alliances**

Townsend (2003) classifies the motives for strategic marketing into two dimensions, firm and environmental factors. The first dimension of firm level factors consists of market, product, resource, knowledge, and transaction. One of the primary objectives of alliances is to join forces with partners to pursue market opportunities that are out of reach otherwise (Das & Teng, 2000). The interest in strategic alliances may also be product-related, such as filling the gaps and broadening current product lines (Varadarajan & Cunningham, 1995). Resource pooling is another important factor contributing to the alliance formation. Das & Teng (2000) discuss the ability to draw upon the strengths of more than one firm. Varadarajan & Cunningham (1995) have also mentioned different knowledge-related motives. The learning may be described as

direct learning from the partner firm (Kale et al., 2000) and inter-partner learning between firms through experience and synergism (Osland & Yaprak, 1995). In terms of transaction risk reduction, the formation of an alliance essentially creates a quasi-market or quasi-hierarchy situation (Osborn & Baughn, 1990).

Townsend (2003) has proposed a framework (Figure 5) to better understand the process of business alliance. Alliances are grounded in the relationship paradigm, as the alliance formation is supposed to extend the resources of the parties in a specific level of interdependency. The objectives directly affect to the structure of the alliance. Townsend also underlines the importance of right kind of performance measurement tools. Especially, if the motive for alliance is a knowledge transfer, it is not usually viable to employ financial metrics. The performance of the alliance, as perceived by the parties, will eventually result in sustained competitive advantage, or the alliance will be ended. Sometimes the alliance is terminated, because the original objectives were fulfilled, and there are no other motives for continuation. Cultural orientation, on both firm and national level, is the controlling element in the model. The below illustrated framework shows an extensive interpretation of how alliances work. The work by Townsend (2003) will be helpful when conducting the empirical part of this thesis.

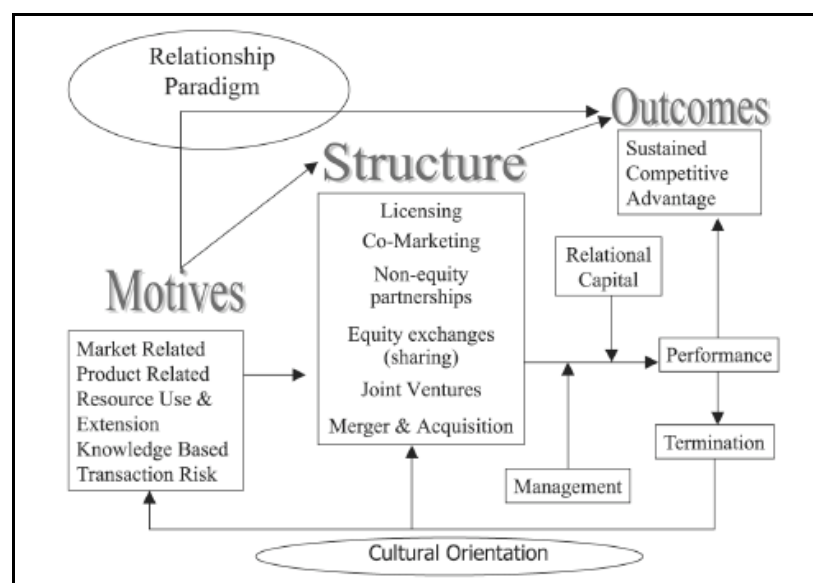


Figure 5. Conceptualization of the alliance framework. (Townsend, 2003, 152)



### **3.3 Sponsorship as a Co-Marketing Alliance**

Next the discussion will move on to looking specifically sponsorships as a form of co-marketing alliance. In the events and sports sponsorship fields, there is an evident shift away from traditional sponsorship practices that emphasize relationships to title sponsorship partnerships (Kahuni et al., 2009). According to Varadarajan and Cunningham (1995), strategic alliances are a manifestation of interorganizational cooperative strategies, that enable the pooling of skills and resources by the alliance partners, in order to achieve one or more goals linked to the strategic objectives of the cooperating firms. They note that a strategic alliance can be structured either as a distinct corporate entity, or as a distinct interorganizational entity to which the organizational partners commit resources and skills without sharing equity in the relationship. Sponsorship is more typical of the latter: parties to the sponsorship agreement share resources in the form of intangible assets, such as brand image and corporate reputation (Farrelly & Quester, 2005).

Farrelly et al. (2005) came to the conclusion that sponsorship relationships can be managed as a co-marketing alliance where both sponsor and sponsored invest assets into the strategic goals of the relationship. Furthermore, viewing the relationship through an alliance lens should broaden their strategic horizons and reveal opportunities for new joint development strategies to grow the value of both the property's and the sponsor's brands.

Kahuni et al. (2009) discuss co-branding, which is related to the sponsorship discussion. The literature on co-branding offers a perspective on meaning transfer between the two source brands and the co-brand and the effects of such spillover (Washburn et al., 2000). The main focus in the co-branding literature is on co-branding at the level of product brands. Co-branding can be used to help brands to realize their potential. The phenomenon is viewed as a strategic alliance that connects two or more brands in the marketplace (Askegaard and Bengtsson, 2005). So it seems that corporate sponsorship,

especially title sponsorship and corporate co-branding, while being informed by different prior conceptual frameworks and stances, are interwoven. This has led to discussion about the relationship between corporate co-branding and sponsorship. Since different authors take different views, this remains an open debate. For example, Blackett and Boad (1999) differentiate sponsorship from corporate co-branding, by suggesting that sponsorship is a simple exchange transaction, money in return for image or reputation enhancement, whereas corporate co-branding enables value to be extracted from the relationship or partnership at a variety of levels. Motion et al. (2003) on the other hand suggest that the distinction between sponsorship and corporate co-branding can be conceptualized as a continuum with sponsorship at one end and the joint partnership (or corporate co-branding) at the other end. As such, the opportunity for creating a corporate co-brand arises when sponsorship moves from being a one-off exchange to being a long-term relationship between two or more organizations. Meenaghan and Shipley (1999) view sponsorship as the basis for a symbiotic relationship, which provides the basis for the construction of a corporate co-branded image and partnership.

Farrelly & Quester (2005) studied whether sponsorship fulfills the requirement of co-marketing alliance in the context of sports, as well as the fundamental factors for alliance strategy, management and performance. These factors are:

- 1) Strategic compatibility
- 2) Goal convergence
- 3) Commitment
- 4) Trust
- 5) Economic and non-economic satisfaction

1) Strategic compatibility, Shamdasani and Sheth (1995) define strategic compatibility as “the extent to which an alliance partner has complementary goals and shares similar orientations that facilitate co-ordination of alliance activities and execution of alliance strategies.” Many sponsors exhibited clear strategic intent in their objectives, that include using sponsorship to build corporate identity, gain brand awareness, enter new markets, and to block competition. Other motives were to use the association for “brand authentication” purposes. Properties, on the other hand, were far less precise about their objectives or those of the sponsor.

2) Goal convergence, the authors say that in most cases, goal convergence was not examined in the early stages of the relationship. Rather, attention centered on sponsor goals and involvement of the sport was often limited to specifying intellectual property and player usage guidelines. They also find out that inadequate time and effort is devoted to the formative stages of the relationship, particularly in making explicit exactly what the strategic direction is for the relationship and the desired outcomes for both parties.

3) Commitment, “a willingness by the parties involved in the sponsorship relationship to make short-term investments with the expectation of realizing long-term benefits from the relationship” (Farrelly & Quester, 2003). It is now accepted wisdom that companies must activate sponsorship through complimentary marketing activity in order to achieve any real degree of success, and activation has been found to be a strong indication of a firm’s commitment to the sponsorship relationship (Farrelly & Quester, 2003). They also found out that sponsors considered themselves committed to the alliance and this was influential in their desire for relationship continuance. Yet, sponsor commitment was tempered by a sense that properties need contribute more directly to performance and reciprocate sponsor efforts to grow the relationship. Such a response reflects the need for a sense of equity in terms of resource input relative to outcomes.

4) Trust, trust has been referred to as the cornerstone of the strategic partnership (Spekman, 1988, 79) and has been shown to have positive effects on various relationship outcomes, including planning, investment, satisfaction, and performance. A degree of trust is critical to alliance performance and longevity. Both parties reported that trust was present in their relationships. They focused on matters that go to the heart of the two primary dimensions of trust: benevolence and credibility. Each party appeared to understand the opposite position, to be knowledgeable about the relationship, and recognized that a “cooperative atmosphere” was present.

5) Economic and non-economic satisfaction, research suggests that two distinct forms of satisfaction exist: one focusing on economic evaluation, the other on the outcome of interpersonal exchange. Economic satisfaction is defined as a channel member's evaluation of the economic outcomes that flow from the relationship with its partner such as sales volume, margins, and discounts (Geyskens et al., 1999), whereas non-economic satisfaction is the positive affective response to the non-economic psychosocial aspect of the relationship and is evident if the interactions are “fulfilling, gratifying, and easy” (Geyskens et al., 1999). Both properties and sponsors expressed views indicating the importance of non-economic satisfaction, which is perhaps not surprising, given the existence of trust in the relationship. Non-economic satisfaction stemmed from high levels of service, e.g., they are professional in their approach to servicing the relationship, or they are very helpful when it comes to accommodating our requests on a day-to-day basis. Furthermore, sponsors and properties also felt that the relationship had produced economic results that increased the value of their respective brands and their level of satisfaction. However, sponsors qualified this view by noting that more needs to be done to exploit current opportunities, including jointly exploring activation opportunities at a deeper level than what presently occurred.

Farrelly & Quester (2005) came into the conclusion that sponsorship can be a potent alliance between those who market sport with those who market through sport.

Sponsorship partners have the opportunity to pursue complimentary marketing objectives, although this seems conditional on viewing the relationship from a strategic perspective. They also noticed that a lack of property commitment emerged as a major factor limiting the development of sponsorship into a viable co-marketing alliance. Only when the relationship is reciprocity and proactivity from the both sides can sponsorship fulfill its potential as a co-marketing alliance.

### **3.4 Summary**

The chapter 3 focused on literature on co-marketing alliances. The definitions of co-marketing alliance seem quite consistent in the previous research, and it can be said that it is one type of strategic alliance, created for the purpose to attaining a competitive advantage. The objectives for such an alliance are numerous. Townsend (2003) presented market, product, resource, knowledge, and transaction –related objectives. While Primary objective according to Townsend is about joining forces with partners to pursue market opportunities that are out of reach otherwise.

Farrelly & Quester's (2005) research about the fundamental factors affecting the alliance strategy, management and performance is one of the main theories to be used in this study. The authors formulated five factors, strategic compatibility, goal convergence, commitment, trust and economic and non-economic satisfaction, that were the most exhaustive and well covering in the context of sponsorship and co-marketing alliance research.

## **4. EVALUATION OF MARKETING PERFORMANCE IN THE CONTEXT OF SPONSORSHIP**

*“You can only improve what you can manage and you can only manage what you can measure” (Peter Drucker)*

This chapter reviews different methods used in measurement of marketing, and especially in the context of sponsorship. As any other investment, also marketing investments must be financially accountable. Especially in sponsorship, there is a lack of understanding of the factors that influencing the success of sponsorship communications (Cornwell & Stoye, 2007).

### **4.1 Evaluating Sponsorship and Alliance Success**

The type of value depends on the perspective of the stakeholder. Capitalism defines value as the economic contribution to shareholders. Although, for example, environmental and societal values are important, the monetary value is often needed in business context to determine a return on investment. Recently the definition of value has evolved, and it is not defined as a single number anymore. Rather, the definition now includes a variety of data points, both qualitative and quantitative, as well as financial and nonfinancial perspectives. (Phillips & Pulliam Phillips, 2007)

To discuss specifically the measurement of sponsorship efforts, it seems that the most important thing is to measure sponsorship effects against the objectives, which have been established in the beginning. As Tripodi (2001) for example states that the success of sponsorship is dependent on whether or not objectives are achieved. However, Hoek et al. (1997) suggest that few organizations make any attempt to evaluate the

effectiveness of their sponsorship activities. “In the discussion on sponsorship objectives it was argued that objectives be stated in a consistent, motivational, hierarchical and quantified manner rather than in the broad loose terms which render them meaningless for the purposes of result evaluation” (Meenaghan, 1983, 43).

Meenaghan (1983) presents two schools of the classical approach to marketing communications, the sales school and the communications school (see Majaro, 1970, 1980). The sales school approaches objective setting in terms of sales levels to be achieved and it argues that evaluation take place against sales benchmarks as set. It could be argued that the use of sales as an objective is in effect a marketing objective rather than a specifically specialized marketing communications objective. While the sales school approach may have many proponents among "bottom line" marketing practitioners, it must be recognized that all elements of the marketing mix affect sales performance. Similarly within the marketing communications mix any direct correlation of a particular element with sales results is a misleading simplification of what is in reality a complex situation.

The communications school approach (See Colley, 1961; Lavidge and Steiner, 1970) acknowledges the complex nature of persuasive communication and is aware of the difficulty of relating particular sales results to particular financial efforts. According to this view, instead of looking at the immediate sales, measuring of results in terms of awareness levels achieved, knowledge imparted and attitudes changed is the primary aim. Although the ultimate goal always is to sell, but at the same time communications effect precedes the buying decision. In the communications school approach marketing communications are seen as moving the consumer over a series of stages towards the act of purchase. It is argued that as the consumer progresses through these stages his disposition to purchase will increase. Thus it must be realized that in using this approach communication effects are being related to the individual stages leading up to the act of purchase, but are not in fact being related to sales per se. While in many

instances the communications school may offer the only feasible approach to relating marketing communications effort to results achieved. The communications school similarly chooses to focus not on the relationship between effort and actual sales results, but rather on the relationship between effort and resultant movement over the stages of the buying process where there is more information. Whether a sales school or communications school approach is adopted sponsorship effects should be measured against the objectives which have been established in the first place. (Meenaghan, 1983)

There are many factors complicating the measurement of sponsorship effects. Firstly it is difficult to distinguish the effect of a single sponsorship from those caused by other marketing communication activities (Kohl & Otker, 1995; Amis et al., 1997; Meenaghan, 1983). The problem is even emphasized when a company has multiple sponsorship involvements. Knowing the complexities of directly relating sponsorship involvement to new business generated, Meenaghan (1983) presents an on-going measurement of the effectiveness of the sponsorship, it is based on using a research study every six months to establish the following: 1) unprompted name awareness, 2) prompted name awareness, 3) unprompted awareness of Company X as a sports sponsor, 4) prompted awareness of Company X as a sports sponsor, 5) attitudes towards sponsorship.

Specifically connected to the measurement of event success, Stevens (2005) stresses the importance of connecting objectives early on to specific metrics for measuring the results of participating an event. Stevens has presented a very practical list of various objectives, and associated metrics accompanied by a suitable tool for measurement. Table 1 illustrates these objectives with appropriate metrics. In introducing a new product or gathering new prospect, the number of demonstrations given and leads or prospects generated are ways to determine whether the objective was met. Revenue is clearly the indicator for the sales objective. To determine whether the event was successful in increasing awareness, pre-post awareness levels should be gathered



beforehand, as well as the number of press mentions. To do competitive research, events are a good way to gain qualitative information from the competitors. Stevens suggests a did-you-buy survey to determine the ROI of an event. For retaining current customers, the number of customer appointments made and revenue from current customers would be the associated metrics.

*Table 1. Business Event Objectives and Associated Metrics. (Stevens, 2005)*

<b>Primary Objective</b>	<b>Associated Metric</b>	<b>Measurement Tool</b>
Introduce new product	Number of demos given Number of leads generated by product	Daily self-reporting by booth staff Lead volume by product
Gather new prospects	Number of new prospects gathered Number of new accounts added to the database	Visitor badges swiped at booth
Sales	Revenue	Sales lead management system
Awareness	Pre-post show awareness levels Number of press mentions	Pre-post show survey of attendees Press coverage analysis
Competitive research	Number of competitors at the trade show	Count competitors among attendees, sponsors, speakers, and exhibitors
Competitive research	Competitive analyses completed	Qualitative audit of competitors' presence at trade show

ROI	Return on investment ratio	Did-you-buy survey
Retain current customers	Number of customer appointments	Reporting by booth staff and sales people attending the trade show
Retain current customers	Revenue closed from current customers	Financial system reporting on customer appointments Trade show contact data

Sneath et al. (2005) studied outcomes associated with an automobile manufacturer's sponsorship of a six-day charitable sporting event. Data for the study were collected from a sample of 565 spectators in five cities during the six-day event. Results provide evidence for inclusion of event marketing in the company's promotional mix and indicate that experience with the sponsor's products during the event may enhance event outcomes.

Research on alliance success has been surprisingly lacking. There is one relevant study that investigated the mutual benefit of an alliance, that being the degree of alliance success. In their research, both quantitative and qualitative performance indicators were considered, but exploratory interviews with 20 co-marketing alliance managers indicated that many benefits were too difficult to track quantitatively. In addition to joint marketing efforts by alliance partners, individual efforts and general economic conditions may result in increased sales of products. Tracking what portion of this incremental business is due purely to the alliance is difficult to accomplish according to this study. For a qualitative measure of performance, the perceived effectiveness of the relationship was adopted as an indicator of success. Because mutual performance is the criterion at issue, perceived effectiveness is defined to be the extent to which both firms are committed to the alliance and find it to be productive and worthwhile. (Bucklin & Sengupta, 1993)

There are two important dimensions to evaluating alliance relationships: (1) how well satisfied are the parties in their relationship (i.e. satisfaction); and (2) are they likely to continue the relationship (i.e. continuity). Continuity decisions are related closely to the overall level of satisfaction or dissatisfaction with the alliance. While satisfaction reflects existing feelings out the alliance based on evaluation of outcomes and experiences received in the past, continuity decisions reflect expectations of future co-operation (Shamdasani & Sheth 1995).

#### ***4.1.1 Advertising Methods for Sponsorship Effects Measurement***

Many scholars suggest that methods that are used for measuring advertising effects should also be in use for sponsorship (Harvey, 2001; Otker & Hayes, 1995). Jones & Dearsley (1995,43) give two different approaches on how to measure the value of sponsorship investment. Monitoring of media exposure is one focus for measurement. The authors give an example of Volvo, which measures media value of Volvo by counting each copy of each newspaper that features Volvo Tennis as one impression. Each story is then counted as equivalent to 30% of a newspaper advertisement of the same size. With their budget of 4,5 million USD, Volvo believed that they obtained value for their investment. They counted that the tennis sponsorship campaign produced 1.7 million media impressions, which equal to 23 million USD in advertising. The other focus of measurement is the impact on the image of the sponsoring company. This is measured generally by using market research, such as favorability scale.

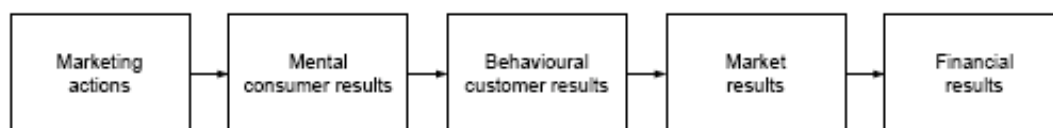
Also Kohl & Otker (1995) discuss the use of advertising measurement on sponsorship. They see that sponsorship phenomenon is a more complex, has different mechanisms and also the effects of sponsorship are more indirect in their nature than in advertising. According to them the effects of sponsorship can be clearly measured, for example by using the techniques of advertising research, but not without difficulty, they stress the difficulty of measuring image related aspects. For an image measurement to be adequate a pre-measurement before the sponsorship activity is needed to compliment the post-

stage evaluation. Sometimes if the financial resources are not adequate for conducting a large-scale research, it is advisable then to focus in the intermediate effects of sponsorship, for example measuring name recall or viewership/participation instead of image.

An opposing view on using advertising methods on sponsorship measurement comes from Cameron (2009). He sees that many of the problems associated with measurement have occurred because of advertising models have been applied to sponsorship. As already established, sponsorship works differently than advertising, and the main difference is that advertising involves a two-way communication process where the consumer views the message. The sponsorship on the other hand is three-way communication process, where the consumer views the message with the property “in a passion mode” as Cameron (2009) puts it.

#### ***4.1.2 Subjective Consumer Results***

Gronholdt & Martensen (2006) presented a Marketing Value Chain based on the Brand Value Chain, developed by Keller and Lehmann (2003). Figure 6 illustrates this chain, starting from marketing actions, to mental consumer results, to behavioral customer results, to market results, and finally the actions result in financial terms.



*Figure 6 . The Marketing Value Chain. Gronholdt & Martensen (2006, 245)*

Gronholdt & Martensen (2006) present brand awareness, relevance to consumer, perceived differentiation, perceived quality/esteem, relative perceived quality,

image/reputation, perceived value, preference, customer satisfaction, customer loyalty/retention (intention) and likelihood to recommend, as indicators of mental consumer results. Most of the current research of sponsorship evaluation centers around these, very subjective, indicators.

In the context of event sponsorship there are some previous studies available. Based on a golf tournament as the event activity for the well-known Danish corporate brand B&O, Martensen et al. (2007) presented a model and measurement system to estimate the impact of the event on brand attitude as well as buying intention. The survey questions are designed in a generic way, meaning that they are formulated in general terms, allowing them to be used across brands, companies, and different types of events. It gives a better understanding of how an event influences the perception of a brand in the minds of the customers. The model links the response variables of brand attitude and buying intention to the drivers: event attitude, brand emotions, and event emotions (positive as well as negative emotions). These are in turn linked to brand involvement, event involvement, and the fit between brand and event. The model proposes two routes for creating buying intention—a central brand-related route and a peripheral event-related route, as well as links between these routes. They used three sets of questions - the first one is concerned with emotional responses to the brand and the event, the second one with attitudes toward the brand and the event, and the third one is concerned with the involvement in the brand and the event. To quantify emotional responses, they chose to use a list of 16 feeling statements, selected to cover the more important feeling dimensions that are relevant for events.

Logo counting is one of the oldest concepts in sponsorship research. With the improvements in digital technology, there is now an accurate measurement of logos in events or in the broadcast media. However, the measurement technique by itself devalues the role of sponsorship, mainly because it measures only the exposure, and ignores the consumer response. Industry value is believed to be based on the size,

placement, reach and frequency of logo exposure and, as a consequence, sponsors who focus on brand exposure will have the greatest returns on investment. Having said this, sponsorship is so much more than merely logo placement. Consumer engagement is a central factor that is missing from this simple measurement technique of sponsorship effectiveness. Sponsor recall is another measurement tool widely used in the industry. It indicates the degree to which consumers can recall a sponsor. It is generally accepted that sponsorship is a very effective method to increase brand recall and it is also a key measure of sponsor performance. If consumers can spontaneously nominate sponsors, this can contribute to improvements in brand equity. Also there has been recent research (Cameron, 2009) showing that there are often immediate improvements in brand awareness from sponsorship with lesser-known brands. There is very little room for improvement in recall for more established brands, particularly where brand awareness is already close to 100 per cent. A good example of this is Coca-Cola, where brand awareness is so high, and improvements in brand recall from sponsorship have a limited upside benefit. In such cases, the benefits of sponsorship are greater than those being measured by sponsor recall alone. (Cameron, 2009)

Cameron's (2009) research was originated by criticizing the usage of advertising methods to determine the effectiveness of sponsorship. So he suggests a research model that utilizes key sponsorship metrics to measure various types of sponsorships, it is formed of four stages: attention, understanding, engagement and appreciation.

The beginning stage occurs when the actual sponsor's presence is communicated; this is called the Attention -stage. During this process, the principal objective is to communicate the sponsor's involvement. In terms of measurement, this is where logo exposure would be measured. There is a role for media measurement of certain types of sponsorship such as major events or broadcast sponsorship. In other types of sponsorship, such as more experiential events or corporate hospitality, this measure is not relevant as other metrics of sponsorship have more significance.

The second stage, understanding, involves the extent to which consumers can actually recall the involvement of a sponsor. Sponsor recall is assessed in terms of top-of-mind, spontaneous or prompted sponsor recall metrics. Generally, for a sponsorship to be effective, the target audience needs to be able to recall the sponsor.

Engagement, the third stage involves the level of emotional engagement between the property and the consumer. This is a critical area of measurement as engagement (here the researcher has used the word passion) is a core element of sponsorship. Passion is also incremental as the greater the emotional bond with a property, the higher the probability that consumers will recall the sponsor. If passion is not measured, a core ingredient of sponsorship, that is, emotions, will be overlooked. The measurement of passion enables sponsorship effectiveness to be accurately measured. To measure passion, an emotion-based scale called the Passion Index<sup>TM</sup> was developed. The scale works by classifying consumers into various groups based on their level of passion towards individual properties. When researchers simply measure those who are aware versus those who are unaware of sponsorship results, the results are not as conclusive as those produced using the passion drives sponsor recall model. Various types of sponsorship properties can be measured using the Passion Index<sup>TM</sup>, ranging from teams, sports, events, personalities, broadcast properties and causes. Irrespective of the type of sponsorship property, passion can be measured in the same way. As might be expected, passion levels are dependent on many different variables and vary significantly between individuals and the different types of properties.

Appreciation is the final stage of measuring of consumer appreciation or gratitude to sponsors. This is an important metric and has been created by drawing upon the theory of sponsorship known as Heider's balance theory (1958), cited by Cameron (2009), which has been tested on sponsorship. (See e.g. Dean, 1999 and Crimmins and Horn, 1996). Balance theory suggests that most individuals strive to maintain a sense of balance in relationships or a harmonious state to avoid inconsistency in behavior and

attitude. In sponsorship the relationships are between a property, a sponsor and their own attitudes and behaviour. If a sponsor enhances their enjoyment of an event or supports a property to which they feel a strong emotional bond, then this involvement by a sponsor can change attitudes as the consumer readjusts the balance in the relationship. It seems that sponsor appreciation as a key factor in influencing sponsorship effectiveness. Based on the author's research in the B2B corporate hospitality market, the most effective event experiences are the ones that create the greatest imbalances in a relationship between a customer and a sponsor. Following an event experience, most people rebalance their relationship with the sponsor depending on the quality of the experience and their propensity to feel gratitude. It is this rebalancing process that provides significant return on investment (ROI) for sponsors in corporate hospitality.

To measure sponsor appreciation, a scale for sponsorship measurement called the Gratitude Index<sup>TM</sup> was developed, it is an emotional scale that posits consumers into various segments based on the level of appreciation they feel towards a sponsor. Under the basic theory of sponsorship, sponsor appreciation needs to be measured to understand the dynamics of an effective sponsorship campaign. In some cases, there is little sponsor appreciation for a sponsor's involvement and the main driver of sponsorship effectiveness is passion. Sponsorship activation itself can improve sponsor appreciation when fans' experiences of the property are enhanced by sponsors. In the case of football, sponsor appreciation may be low if the interaction with sponsors is basically restricted to a logo-viewing experience. This dynamic would change if a sponsor experience were to involve such things as a sponsor providing fans with access to elements, which enhance their experience of the events themselves. This could involve anything from preferential seating at events through to limited-release merchandising, which are the key elements of an effective sponsorship activation strategy. Certain types of sponsorships, such as cause-related ones, have a natural tendency to achieve high sponsor appreciation. In the case of many causes, Passion



Index<sup>TM</sup> levels may be low for a cause related sponsorship but the Gratitude Index<sup>TM</sup> ratings will typically be much higher. (Cameron, 2009)

#### ***4.1.3 Behavioural Customer Results and Market Results***

Behavioural customer results is the second block in the conceptualisation of Gronholdt & Martensen (2006), presented in Figure 6, it includes metrics such as customer loyalty/retention, churn rate, number of customer complaints, number of transactions per customer and share of wallet. Literature focusing on these metrics in the field of sponsorship and co-marketing alliances could not be found.

The third block consists of market results, that can be measured by sales (volume and value), sales to new customers, sales trends, market share (volume and value), market trend, number of customers, number of new customers, number of new prospects (leads generated/inquiries), conversion (leads to sales) and penetration (Gronholdt & Martensen, 2006). As there have been difficulties in isolating the effects of a certain marketing effort, the research has not yet shed light in to how to match the effect from an event or series of event into sales. The ROI model by Phillips et al. (2008), presented later, is maybe the closest achievement to determine the market results.

#### ***4.1.4 Financial Methods for Measuring Marketing Performance***

Gronholdt & Martensen give examples of metrics for financial results, such as profit/profitability, gross margin, customer profitability, customer gross margin, cash flow, shareholder value, return on investment (ROI), customer lifetime value.

Miyazaki & Morgan (2001) have taken a methodological approach used in financial field to apply in determination of value of sport event sponsorship. They used event

study analysis technique. It examines how the market sees a certain strategic choice; in this case a single event or series of events. The adoption of such a strategy will add to the perceived value of the firm that should be reflected in the market price of the firm's stock. Earlier event study analysis has been used to determine how brand-extension announcements impact future assessments of firm value (Chaney et al., 1991), and to assess the perceived economic worth of celebrity endorsers by comparing announcements of such endorsements with their associated stock returns for the firms in question (Agrawal and Kamakura, 1995). Miyazaki & Morgan looked at a sample of events across time or firms to determine whether the event was beneficial or unfavorable to the value of the sponsoring company. A comparison of the movement individual stock price to the fluctuation of the whole stock market is needed to make sure the movement is from firm-specific activities. The authors came into a conclusion that the marketplace viewed the sport event sponsorship positively.

Srivastava et al (1999) have come to the conclusion that valuing the market value created by strategic initiatives is best reflected by net present value evaluation of all future cash flows that are expected to accrue to the firm in result of this investment. Return on investment measurement is one of the most important tools used by finance professionals. This tool should also be clearly understood by marketing professionals, and used to depict the importance of marketing investments.

Phillips et al. (2008) have developed ROI measurement for meetings and events. According to him, it is important to measure satisfaction of each event, but impact on the company can be measured in 20% of events; and full ROI, tracked all the way down, is applicable in only 5-10% of cases.

Phillips' ROI methodology is based on a chain of impact, divided to six steps of input, reaction, learning, implementation, impact and ROI. Next the steps are presented

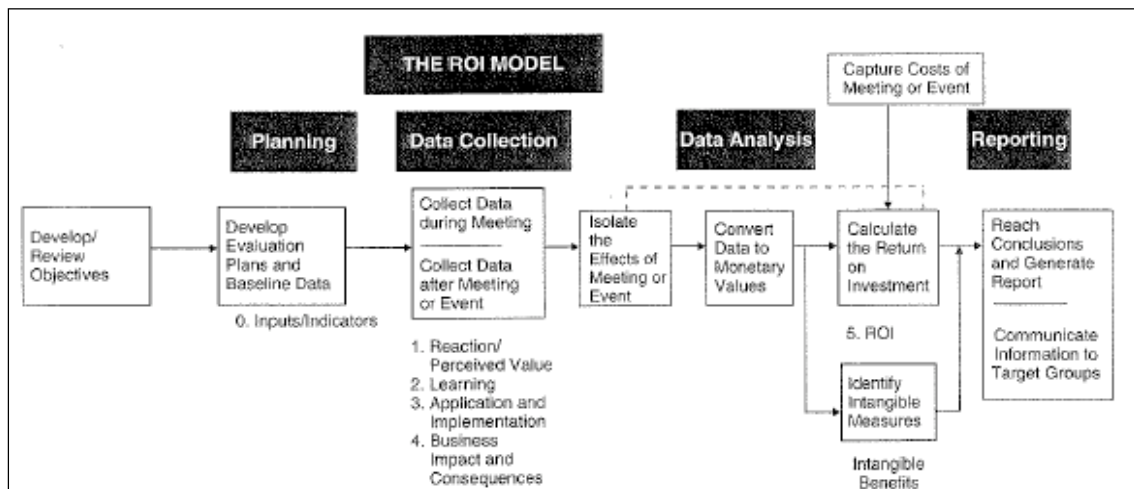


Figure 7. The ROI Model (Phillips et al., 2008, 30)

briefly. Inputs and indicators are the first steps in the evaluation process. This data represents the most common and easiest to count, such as the total costs of the event, the total number of participants and cost per participants, also demographics of people attending the event can be identified.

The second step is to measure reaction and perceived value of an event. Collecting this level of data is the first operational step in Phillips' ROI Methodology. The attendant feedback after the event is the main source of inquiry at this point. In case of events that last multiple days, it is advisable to collect some data already during the event. Also if the event comprises of different sessions, it may be good to let them judge key issues immediately after a session. This type of data is most often collected through questionnaire or survey.

The next stage is to understand how much and what kind of learning has occurred, or what is the take away from the event. It can be information, knowledge or contacts for example. The starting point in any measurement system is the objectives. Measuring learning focuses on knowledge, awareness and perceptions, networking may also be one indicator depending on situation and type of event. Phillips offers again questionnaires

as a source for the data, and they can be included on the reaction feedback questionnaire.

Measuring application and implementation is the next step; this provides critical data about not only the success of the event, but the factors that contribute to the success of future events. The data gathering can be a challenge that inhibits the successful evaluation, however the implications are similar when measuring reaction and learning. For example, when one of the objectives of an event is networking, the number of follow-ups with the contacts could be one of the measures.

The last data gathering phase is the measuring and isolating the impact of an event. The business impact data is more valuable than the previous ones, as it is the consequence of the implementation of an event. The monetary contribution is then derived from this data, which makes this step a very critical one in the determination of ROI. Impact measures can be divided to hard data, such as sales, productivity and profitability, and soft data, which is more subjective and difficult to convert into financial values, such as brand awareness and image. The terms tangible and intangible can also be used to describe the impact data. Tangible data means a category that can or has been converted to financial value, whereas intangibles are purposely not converted to money, for example if the data cannot be converted. Phillips mentions brand development as one of the intangible benefits of events that are difficult to measure and convert to monetary value.

The last step in the ROI model is the actual ROI calculation, before that the data has to be converted to monetary values, and also the full costs of the event must be identified. Sometimes, actually in most cases, just the use of business impact data showing the improvement directly associated to the meeting is sufficient, for example increase in sales or customer satisfaction. Still in some cases the actual financial contribution and

ROI are required. A simple ROI is then calculated:  $\text{ROI} = (\text{Program Benefits} - \text{Program Costs}) / \text{Program Cost} \times 100$ .

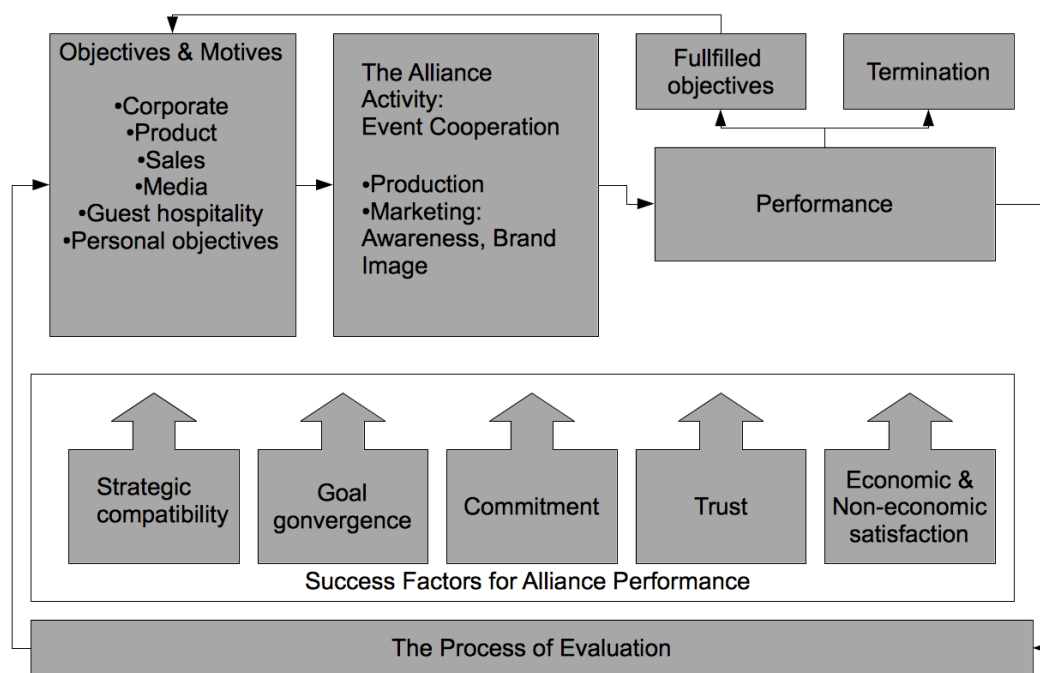
## **4.2 Summary**

The chapter 4 reviewed the relevant literature concerning evaluation of co-marketing alliances in the context of sponsorship. Some scholars suggest the use of same methods for both advertising and sponsorship. This has proved to be problematic, especially given the fact that advertising involves a two-way communication process where the consumer views the message, whereas in sponsorship the consumer views the message with the property in a three-way communication process.

The previous studies have established some frameworks for sponsorship evaluation, one important one viewing the matter as a chain of different issues resulting the marketing activity: subjective consumers results, followed by behavioural –, market –, and financial results. The financial results are understandably seen as one of the most important indicators for determining the actual value of sponsorship, and frameworks for this purpose have been developed.

## 5. THEORETICAL FRAMEWORK

This chapter presents the theoretical framework (Figure 7) that will be the guiding principle in conducting the empirical study (Chapter 6) and to make an analysis (Chapter 7), and provide managerial implications (Chapter 8). This framework draws from the literature review presented in chapters 2-4.



*Figure 8. Framework for Co-Marketing Alliance in Event Sponsorship*

The framework is loosely based on the alliance process framework suggested by Townsend (2003). The model is however modified to suit the context of marketing alliance and events industry. The framework can be described as a process for co-marketing alliance, that includes the motives, the activity itself, which in this case is the event sponsorship, performance evaluation, and the on-going measurement process and the success factors that contribute to the alliance's performance. In this framework the alliance itself is the object of analysis, thus looks at the activity from the viewpoint of both parties.

The framework begins with the objectives. As mentioned previously Meenaghan (1983) offers an extensive taxonomy of sponsorship objectives classified in six different categories of 1) broad corporate objectives, 2) product-related objectives, 3) sales objectives, 4) media coverage, 5) guest hospitality, 6) personal objectives.

After the event has taken its place, it is time to evaluate its performance. According to Phillips et al. (2008), in order to gain sufficient data to determine the financial contribution of the event, the evaluation process should be an on-going process starting from the objectives setting and planning.

Lastly the factor that contribute to the alliance strategy, performance and management according to Farrelly & Quester (2005) are strategic compatibility, goal governance, commitment, trust, and economic and non-economic satisfaction.

## **6. RESEARCH DESIGN AND METHODS**

This section contains a presentation of the research strategy and the methods for the empirical part of the research. The aim of the empirical study is to gain insight on different aspects of co-marketing alliance in the case company. Chapter 6.1 presents the research design of single embedded case design. The next chapter rationalizes the use of survey and semi-structured interview. Chapter 6.3 looks at the data collection process and how it was analyzed. The last chapter then discusses the reliability and validity of the study.

### **6.1 Single Holistic Case Design**

Research methodology can either be quantitative, qualitative or a combination of both. In quantitative research, data is quantified and statistical methods are used in the data analysis. It aims to give results that are representative to the whole population. In qualitative research, data is verbal or visual and it aims to provide insight and understanding of the given phenomena. (Malhotra & Birks, 2000, 155-156)

There is a distinct tradition in the literature on social science research methods that advocates the use of multiple methods. This form of research strategy is usually described as one of convergent methodology, or, what has been called "triangulation". These various notions share the conception that qualitative and quantitative methods should be viewed as complementary rather than as rival camps. Triangulation is broadly defined by Denzin (1978, 291) as "the combination of methodologies in the study of the same phenomenon." (Jick, 1979)

Flyvbjerg (2006) discusses the advantages of using combination of qualitative and quantitative methods in social sciences. As social science is problem driven and not methodology driven in the sense that it employs those methods that for a given



problematic, best help answer the research questions at hand. More often, a combination of qualitative and quantitative methods will do the task best.

Therefore, the methodology of choice in this study is to combine qualitative and quantitative methods. According to Yin (2003) case studies are especially good for investigating “How” and “Why” questions, and when the researcher has little control over the events, and when the focus is on real-life context. Although Yin (2003) argues that case studies provide little basis for scientific generalization, it is widely used in sociology and management. Also, there has been discussion about the inferiority of single case study to the multiple case study methodology (Yin, 2003), Easton (1995) argues that multiple cases does not increase the quality of research, as usually multiple cases allow less depth.

Single-case designs require careful investigation to avoid misrepresentation and to maximize the investigator's access to the evidence. These studies can be holistic or embedded, the latter occurring when the same case study involves more than one unit of analysis. Multiple-case studies follow a replication logic. This is not to be confused with sampling logic where a selection is made out of a population, for inclusion in the study. This type of sample selection is improper in a case study. Each individual case study consists of a "whole" study, in which facts are gathered from various sources and conclusions drawn on those facts. (Yin, 2003) This study employs a single, holistic case study.

Dubois & Gadde (2002) encourage the use of tight and evolving framework that does not limit the study into certain borders, but allows it to evolve over time. So, the case study should be created in certain boundaries, which still are flexible enough to allow the researcher to find new insights as the study advances. Research questions serve as a

guide for the study, and help the researcher to stay focused in the topic (Eisenhardt, 1989).

## **6.2 Data Collection**

In this section the data collection methods are described in greater detail; starting from the interview, and continuing to the survey.

### ***6.2.1 Qualitative Interview***

Interviews are one of the most important sources of information in case study inquiry. Hirsjärvi and Hurme (2006) define a semi-structured interview as being somewhere between an unstructured interview, where open-ended questions are used, and a structured interview, where a predetermined set of questions is used. In a semi-structured theme interview, the themes of discussion stay the same in all interviews while the questions may be different. In this case, this was the most useful approach to the interview, the topics were predetermined from the literature, but allowed the interviews to be conducted as guided conversations, where the researcher has a certain set of questions, but the conversations itself are flexible allowing the interviewees to elaborate. For the purposes of this study one interview of managing director of IIR was conducted. The interview took place in 15th of May 2009 in the IIR Finland's offices in Helsinki. The interview can be described as unstructured interview. Unstructured interviews have the most relaxed rules. In this type, researchers need only a checklist of topics to be covered during the interview. There is no order and no script. The interaction between the participant and the researcher is more like a conversation than an interview (Timm & Farr, 1994).

### ***6.2.2 Survey***

Another source of data is a questionnaire survey (Appendix 2). The survey method was chosen, to provide a combination of qualitative and quantitative data. The survey was

sent to all of the sponsors of the case company. Surveys are ideal for research questions such as “what”, “how many” and “how much” (Yin, 2003). The questionnaire avoids interviewer bias, guiding, and cues that can impact the validity and reliability of the data collection. Response quality is better because respondents may gather and consult sources needed to respond well.

The questionnaire was sent to total of 29 partners of IIR Finland. They consisted of two groups of partners: group 1) Long term sponsors, where the type of relationship between sponsor and property can be described as an alliance. Group 2) shorter term, or one time sponsors.

In order to enable company representatives in Finland to answer the questionnaire in their mother tongue and to avoid misunderstandings due to a language barrier, the questionnaire was conducted in Finnish. Moreover, the survey was pre-tested with case company representative in order to clarify and optimally modify the survey. The survey was clarified, and made more consistent, and certain terms were changed to suit the context and prevailing business culture better. The companies were approached with a questionnaire that comprised of 18 questions that were either one of the following types described below.

Two main types of questions were employed in the questionnaire, open-ended and close-ended. Open-ended questions were designed to obtain more elaborate answers and feelings, with space to elaborate. Checklist, where the question presents a list of items where participants are asked to check those that apply to their situation. Likert scales , this method is generally used to measure attitude toward a concept or idea. Five-point scale was employed in this study. (Timm & Farr, 1994)

The three larger themes of the survey are: The objectives and motives for event sponsorship and formation of long-term co-marketing alliance, sponsorship evaluation and challenges associated to it, and factors that affect the success of the sponsorship activity.

Data for the questionnaire was collected through an on-line survey instrument survey via e-mails and mail. An initial e-mail was sent on September 16th, 2009. Following a reminder e-mail sent to all the companies, 13 companies had answered by November, which makes a response rate of 45 percent.

### **6.3 Data Analysis**

Theoretical framework was presented in previous chapter, which was based on the assumptions emerged from the existing literature on event sponsorship and co-marketing alliances. In addition to the framework, the research questions served as a guiding principle throughout the data analysis.

Hirsjärvi and Hurme (2006) wrote that researchers use either inductive reasoning, where conclusions are drawn from the data, or abductive reasoning, which means that the researcher uses the data to validate certain theories that the researcher has had prior to data collection. In this study, abductive reasoning was employed, as there were theories that emerged from the prior research, and the data gathered in this study are used to confirm them. During the other half of the research, while data gathering was going on, the researcher has been going back and forth between theory and empirical observation. Dubois & Gadde (2002, 555) call this systematic combining, grounded in an abductive logic. Systematic combining is a process where theoretical framework, empirical fieldwork, and case analysis evolve simultaneously, and allows the researcher to develop her understanding on both empirical and theoretical worlds.

## **6.4 Reliability and validity**

According to Yin (2003) there are four tests commonly used to establish the quality of any empirical social research. These are: *Construct validity*: establishing correct operational measures for the concepts being studied. *Internal validity* (for explanatory or causal studies only, and not for descriptive or exploratory studies): establishing a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships. *External validity*: establishing the domain to which a study's findings can be generalized, and *Reliability*: demonstrating that the operations of a study, such as the data collection procedures-can be repeated, with the same results. Next the tactics for increasing the quality of research relevant for this study are discussed.

### **6.4.1 Construct Validity**

There are three tactics are available to increase construct validity when doing case studies. The first is the use of multiple sources of evidence, in a manner encouraging convergent lines of inquiry, and this tactic is relevant during data collection. A second tactic is to establish a chain of evidence, also relevant during data collection. The third tactic is to have the draft case study report reviewed by key informants. (Yin, 2003)

Regarding this study, the researcher has taken above described measures to strengthen the construct validity of the research. Multiple sources of evidence have been employed; the interview and survey have served as the main data gathering sources. A chain of evidence has been established during the data collection phase. Lastly, the case study report has been reviewed by the key informant from the case company.

#### ***6.4.2 External Validity***

The third test deals with the problem of knowing whether a study's findings are generalizable beyond the immediate case study. The external validity problem has been a major barrier in doing case studies. Critics often claim that single cases offer a poor basis for generalizing. Survey research relies on statistical generalization, whereas case studies (as with experiments) rely on analytical generalization. In analytical generalization, the investigator is striving to generalize a particular set of results to some broader theory. (Yin, 2003)

Yin (2003) also suggests that by using already generalized theories in a single case study, the external validity can be increased. That is the main method for ensuring external validity in this study. The theories used to formulate the framework have been chosen also on the basis of their established external validity.

#### ***6.4.3 Reliability***

The objective of the final test is to be sure that if a later investigator followed the same procedures as described by an earlier investigator and conducted the same case study all over again, the later investigator should have at the same findings and conclusions. The emphasis is on doing the same case over again, not on "replicating" the results of one case by doing another case study. The goal of reliability is to minimize the errors and biases in a study. (Yin, 2003)

The survey was directed to the contact person between IIR and partner companies, mainly they were the marketing directors or the CEOs of their respective firms. The replies are then assumed to be as as reliable as possible, since these are the people who

are the most acknowledged of the relationship and its repercussions to their organizations. The survey was conducted into Finnish in order to reduce confusion and

misunderstandings that respondents may face due to language barrier. In addition, the informant of the case company tested the survey, and clarifications were made according to his suggestions.

## **7. EMPIRICAL FINDINGS AND ANALYSIS**

This chapter analyzes findings from the empirical study. First of all, section 7.1 presents the case company, then the next section begins first of all with the presentation of the respondents, and continues then to the data presentation and analysis.

### **7.1 Description of the case – IIR Finland Oy**

In 1989 established IIR Finland Oy is a leading knowledge and skills transfer company in Finland. With the staff of 30 people they provide over 200 events in a year for both private and public sector. The seminars are all unique, customized for different target groups together with experts around the world. They also provide tailor made company specific training events.

Originally IIR Finland Oy was a part of a worldwide IIR network, which was founded 1973 in UK as a publisher of international newsletters. Having gained success in their first conferences in 1978, the focus then changed to conferences. It started the internationalization from very early on, opening first offices in Hong Kong and Singapore in 1980. IIR continued its expansion and by the 2000s it is the world's largest business knowledge and skills company.

The topics vary from international commerce, strategic planning, accounting, finance, IT, human resource management, marketing, and logistics to law and regulations. The seminars offer the newest possible knowledge, through different specialists, and provide ideas and experiences from both domestic and international companies. The seminars serve as a networking medium to ease the contact making to leading professionals. In practice the events last from one to three days and the whole execution of the event is provided by IIR Finland. The internal organization of the different tasks is roughly divided to four areas, the event planning, which is responsible of the planning of the



event; the topic and the speakers, the marketing team that takes care of the targeting of the right customer group, the sales team, which manages the relations to the partner companies, and the customer service team that takes care of the practical matters involving the event.

IIR Finland Oy offers specific sponsorship packages for companies that want to be seen in their events. This has an obvious advantage for partners to reach the carefully selected target group and building brand awareness among the leaders of the industry. The tailored partnership contracts may include for example visibility in the marketing brochures of the event, both printed and Internet versions, presentation booth in the event, hosting a special event, such as breakfast, lunch, cocktail event or a movie night. The sponsors may contact industry leaders, potential clients or employees, and build their business network.

## **7.2 Presentation and Analysis of the Findings**

The 13 respondent companies were mainly Finnish, among were three companies that have headquarters in US, and one in France, and one in Sweden. All except two companies are medium-sized or large corporation. Majority of the companies are in IT field, two in finance, and the rest in law, media, medical equipment manufacturing, and business services. Five of the firms had been collaborating with IIR for a long period of time, while the rest are still considered as short-term partners. 11 companies participate in also other events as partnering firms, as well as they organize event of their own.

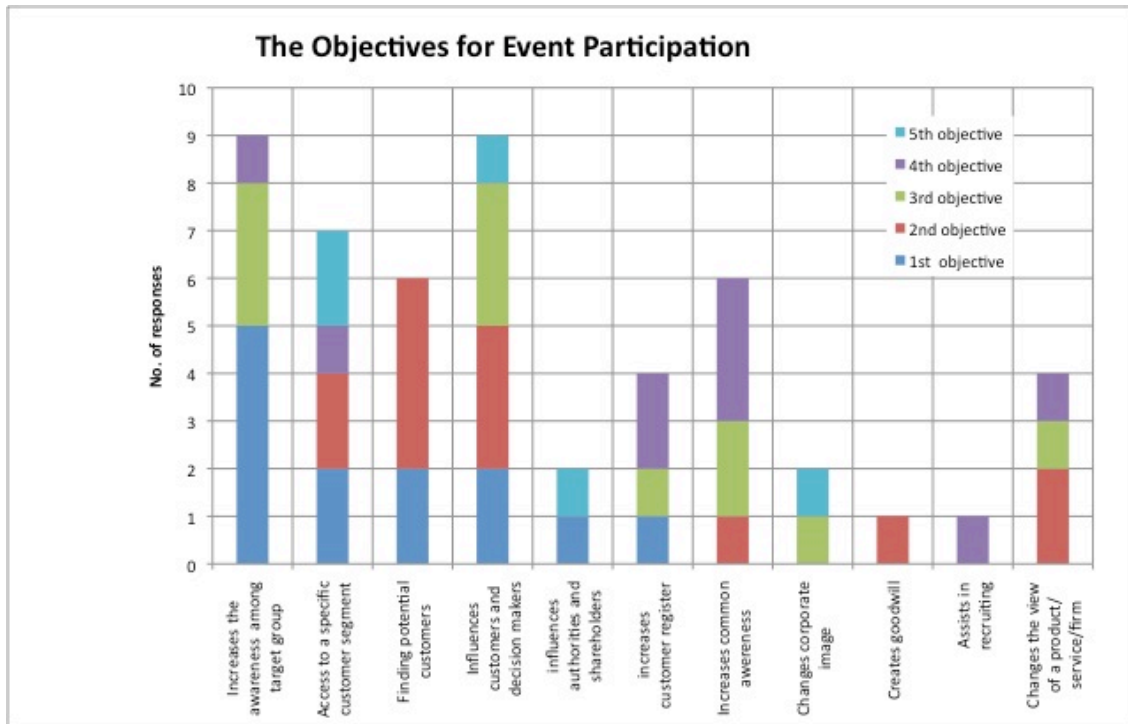
The theoretical framework, as already illustrated in chapter 5, will work as a guiding point for presentation and analysis of the empirical findings. Starting with objectives & motives of event sponsorship, moving on to analyzing event cooperation as a co-marketing alliance. Next the performance is viewed from the point of view of the partners, after that the other emerging measurement issues are discussed, lastly possible success factors are presented and analyzed.

### ***7.2.1 Objectives & Motives for Engaging in Event Sponsorship***

Firstly the motives of engaging in event marketing cooperation in the field of management education are presented and discussed. The informant from IIR Finland believes that the visibility of the brand among the target group is the main motivation for engaging in co-marketing alliance in this context. The partners have an excellent opportunity to meet their target group face to face and that way leave more personalized impression. All comes down to the face-to-face time that can be achieved through event marketing, and choosing the exactly right kind of event to meet with the target group. He adds another aspect that might be valuable to the partners, that is the access to IIR Finland's customer database that is among the largest in Finland. To capture the essence of event marketing, it is foremost customer relationship management – the partners have the possibility to meet and greet their business customers.

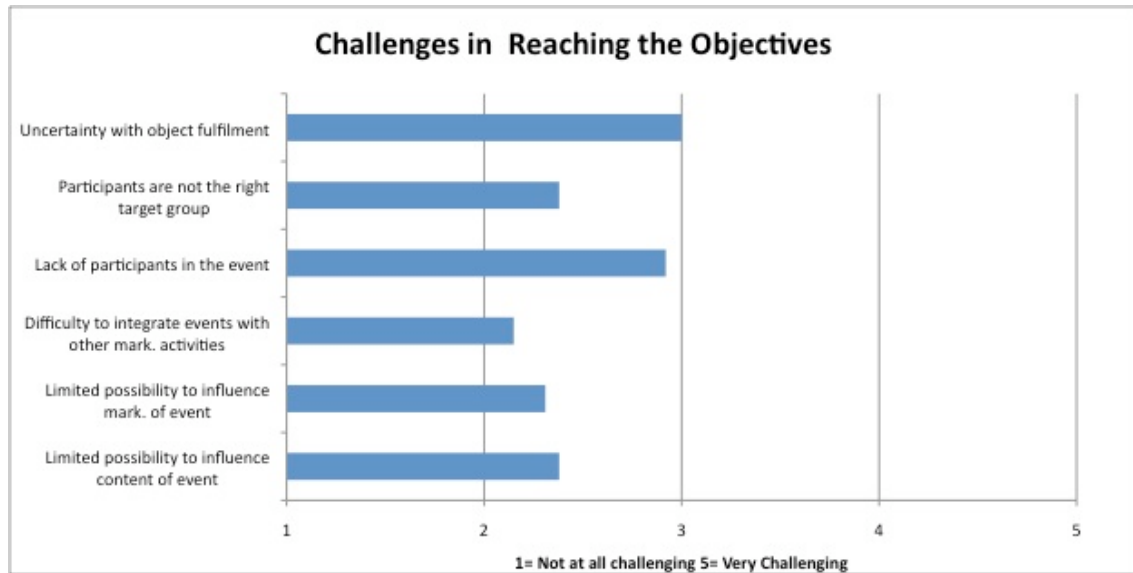
The results of the questionnaire clearly indicate that the partners' most important objective for engaging in event cooperation with IIR Finland is to increase the awareness of the product, service or the company itself (Table 2). Five out of 13 respondents marked the awareness as the most important objective. Three other important objectives were: Access to specific customer segment, helping the sales force to find potential customers, and influencing customers and decision makers. Two other objectives that do not show in the table below, competitor data and starting the sales processes, were also identified when the respondents had the possibility to write down other objectives they might have. When comparing the objectives of the two groups, long-term partners and short-term partners, there was no significant distinction found in the objectives of these two groups.

Table 2. The Objectives for Event Participation.



Respondents assessed the challenges associated to getting into their goals on a scale to 1 to 5, 1 being not challenging at all, 5 being very challenging. Low number of attendees in the event and wrong target group were identified. Still the most difficult challenge is the uncertainty about the objective fulfillment as seen below in the table 3. When looking at the both groups, short-term vs. long-term partners, the results vary only a little. For long-term partners the most challenging factor is still the uncertainty about objective fulfillment (with average of 3), while the short-term partners rank the lack of participants as the most challenging factor regarding the objective fulfillment (with average of 3,8).

*Table 3. Challenges in Reaching the Objectives.*



The views between the partners and the property seem to be very much aligned regarding the motivation for event sponsorship, as awareness among the target group was also chosen as the most important goal among the partners.

What, in turn, are the objectives of the property? Are they only associated with getting a sponsorship fee? From the interview with the informant, this question was turned around with the comment that the partner's goals are their goals. However, the impression was that the credibility of the partners is crucial, all of the partners must be among the top five of their industries. This implies that the association to successful and visible companies is highly important, and has the ability to bring more exposure and image enhancement to the events, and also signaling to others that the property is a viable and desirable for cooperation.

There are different kinds of objective taxonomies established for event sponsorship, and business alliances. According to Meenaghan (1983), the objectives may be broad

corporate objectives, product-related objectives, sales objectives, media coverage, guest hospitality, and personal objectives. The objectives presented here are aligned with these, more specifically with those of corporate, product, and sales objectives.

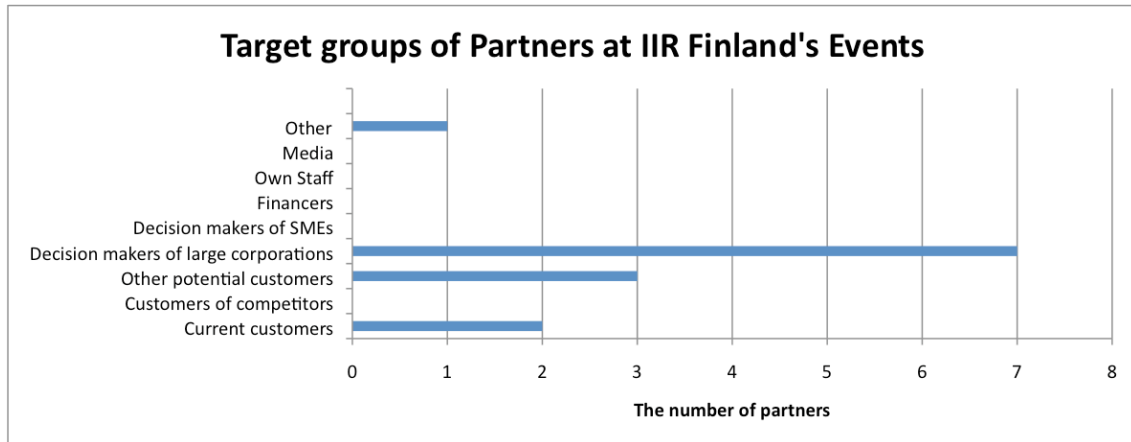
### ***7.2.2 Event Cooperation as a Co-Marketing Alliance***

This section discusses the implications of event cooperation on a deeper level. Respondents were able to identify openly about what is the added value for participating in an event by outside organizer. Four respondents identified visibility, three respondents identified issues related to customers and target groups: larger customer potential, new and challenging target groups, and possibility to meet large number of industry people in the same place. Other responses were: additional sales, neutrality of IIR Finland as event organizer, and resource extension.

There were still some challenges associated to participating to an event organized by third party. The responses in to this open-ended question were highly dispersed, but two challenges were shared by two partners, firstly the fact that their competitors were also partners in the same event, competing of the same attention of the event attendees, and second one that was concerned with the financing side of the cooperation, that is, the large expense combined with uncertain results. Other challenges were: time for planning, lack of control over who are the participants in the event, finding the time for speeches in the event, and uncertainty about profitability

For the partners the target groups in the events were three fold: current customers, other potential customers, and the decision makers of larger corporations as seen below in the table 4. The informant from IIR Finland also mentioned that because these seminars and events have a participation fee, the attendees are there because they truly are

*Table 4. Target Groups of Partners at IIR Finland's Events.*



interested in the subject, and they are committed in participating to the whole event, which in turn gives more time for the partners to meet their target groups. This makes smaller events even better for networking possibilities, than large trade shows and fairs.

Table 5 below illustrates the factors that the respondents found most important in event marketing from scale 1 to 5, 1 being not at all important and 5 being very important. Possibility to create new contacts (4,6) was the most important one, just before the fit between partner and event. A little surprisingly, the possibility for extra services, and possibility to participate in the marketing of the event were found the least important.

*Table 5. The Most Important Factors in Event Marketing.*



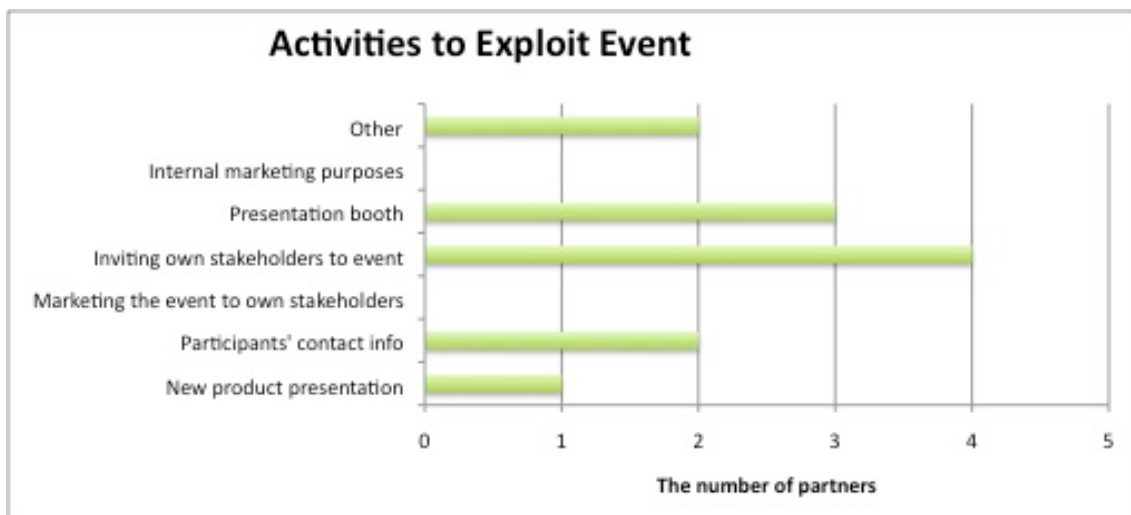
As brand building has emerged as an important underlying motivation for event participation, the respondents were given a chance to indicate this. 12 out of 13 respondents admitted to use events for branding purposes, and associating the brand to the topic of the event was seen as most important area by the partners, chosen by 7 of the respondents, as indicated in the table 6. Also brand image and awareness were identified by some of the respondents. It seems that Gwinner's (1997) model for image transfer from event to the brand image of the sponsoring firm's brand quite accurately projects the reality.

*Table 6. Areas for Brand Development through Events.*



Respondents were also asked to identify how they have exploited the events they have participated. The most support was given to the ability to invite own existing clients or other stakeholders to the event. Also utilizing the booth in the event area, using the contact information of the event participants, and presenting new products in the event were also indicated. Also, giving a specialist speech in the event was added by one respondent. Table 7. shows a recap of these activities, and the percentages of responses.

*Table 7. Activities to Exploit Event.*



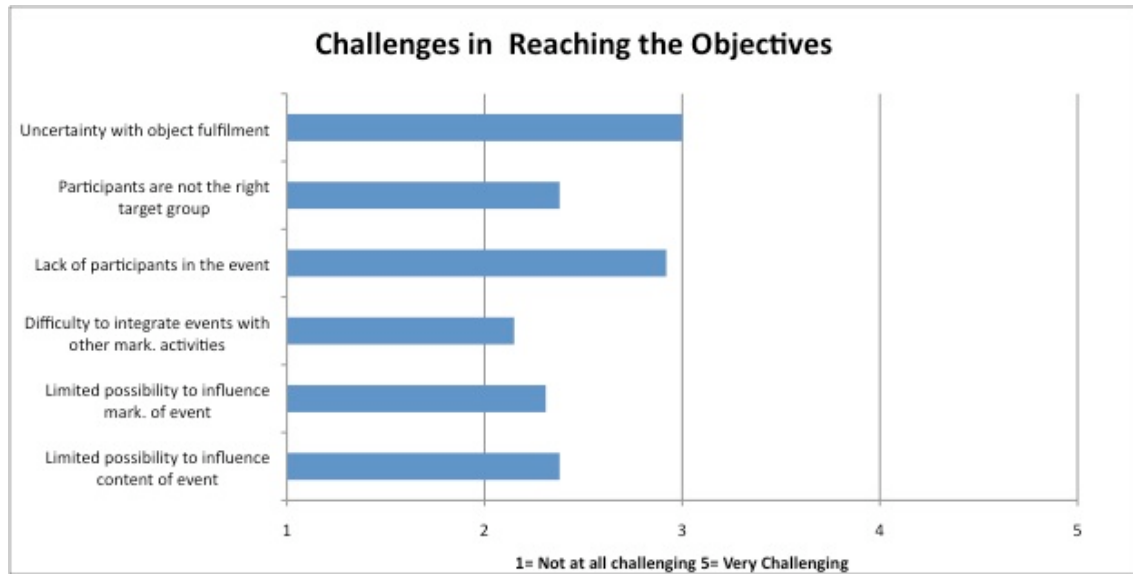


### ***7.2.3 Performance and Evaluation of Event Sponsorship Cooperation***

Regarding the challenges in reaching the initial objectives of the cooperation, the results were also compared between long-term and short-term partners. Respondents were also asked to assess whether the objectives were reached or not. All of the five long-term partners evaluated that their number one objective was fulfilled, and four out of five of these partners thought that both first and second of their most important objectives were reached. The results were good also among the short-term partners, five out of eight indicated that they had reached to their most important goal, and 50% of them had fulfilled two of their most important goals for the cooperation. It is very positive that all of the 13 partners felt that they had reached at least one of their objectives regarding the event participation. The least positive answers came from three short-term sponsors. This may suggest that there are slight differences between these two groups, and it suggests that either these three had not yet come to reach all of their goals or even their most important one, because the cooperation has not lasted very long. One could also say that maybe because of the lack of goal achievement the partnership has not evolved further.

The respondents were asked to identify their opinions why their primary objectives were not fulfilled. The small number of customer decision makers in the event was given as the main reason, but also economic situation was mentioned. One respondent noted that awareness is mainly created elsewhere than events. Respondents assessed also the challenges associated to getting into their goals. As shown in the table 8, all of the options were given at least a slight support by the respondents; they were able to judge different options on a scale from 1 to 5, 1 being not at all challenging and 5 being very challenging. Table 8 shows the average of the answers. Low number of attendees in the event was identified as quite difficult challenges, however the most difficult challenge is the uncertainty about the objective fulfillment. The answers did not show any difference between long-term partners and short-term partners, the answers were evenly dispersed.

Table 8. Challenges in Reaching the Objectives.



Measurement issues are taken very seriously at IIR Finland, the post-event surveys are gathered after each event from the participants of the event and discussed with the partners. However, the informant was concerned of how many partner's do not measure the effects of the event at all. According to the survey 12 out of 13 indicated some metric for the measurement of the event. The main metrics in use for the events seem to be the amount of new leads, and sales. The respondents were given an open-ended question about the measurement of the impact of the events. 7 out of 12 respondents identified sales metrics as their main metric for measurement of event participation, and 6 respondents presented customer leads or contacts as their main metric. Some of the respondents use both of these two metrics.

The responses are aligned with the views of Stevens (2006), who has classified different metrics, associated with the objectives and tools for measurement. According to Stevens, revenue is naturally associated to the objective of making new sales. It is interesting to notice that the most common objective for the partners was to increase the awareness of their product or firm, and still they seem to use sales as the primary metric

for this. It must be pointed out that finding potential customers for the sales force was also among the top goals. After going through the responses one by one to find, there was hardly a connection between those who marked finding new customers as their main goal and the use of sales as a metric. But there was many of those respondents who marked access to a specific customer segment as one of their goals, and then use the amount of new contacts or sales leads as the metric to determine the success.

It has to be noted that awareness as a concept is quite vague, and although there was some studies on how to measure the mental consumer results, they often require lots of time and resources. One suggestion on how to measure awareness for example is to conduct a post-event survey among the target group, as suggested by Martensen et al (2007) and Meenaghan (1983).

This study is also interested in finding an answer to what is regarded as the value of such co-marketing alliance. When asked about the financial contribution of the event participation, only one respondent was able to give an indication in euros. Others were unable to give any estimates, because the effect is long term via awareness. Another respondent also identified visibility and awareness as the main outcome, but admitted that not participating in the event at IIR Finland it could bring a negative effect. Four out of twelve respondents had yet to seen any financial contribution from the event.

Five partners out of the 12 respondents admitted that working together for a longer period of time is worthwhile, and it does bring specific value to the cooperation. One of the respondents wrote that long-term partnership helps building the trust and makes the cooperation easier, another one mentioned that they are able to influence the planning of the event, and a third one added that it makes finding the right target groups and contacts more reliable. For the future cooperation, one respondent wished IIR Finland to help with the activation of their sales organization, internal communication regarding

the event, as well as help in gaining pitches with the potential customers. Some of the partners also wished for the cooperation to continue, and develop the concept together.

Shamdasani & Sheth (1995) identified two dimensions for evaluating alliance relationships, the satisfaction of partners, and the continuity of relationship. Most partners seem to be satisfied by the relationship, if measured by fulfilled objectives. Also the continuity was assessed in the questionnaire, however only 4 out of 13 specifically expressed how they would like the relationship to continue. Three of them wished for the partnership to continue as before, and one of the respondents wished for more help to activate their sales organization, internal communication, and help in gaining pitches at prospects.

#### ***7.2.4 Success Factors for Co-Marketing Alliances***

The last section deals with the key success factors for co-marketing alliance. When asked about the most important factor affecting the cooperation between the partners and IIR, the answer is shortly and clearly the goal convergence. Mutual goals, and understanding the needs and motivations of the other party is crucially important, “Customer’s goals are our goals” (the informant). According to IIR one of the most important things that they can do for their partners is to bring critical mass of people to the events. As emerged from literature, the properties are usually much more vague about their goals concerning the sponsorship arrangement, and same can be said in this case.

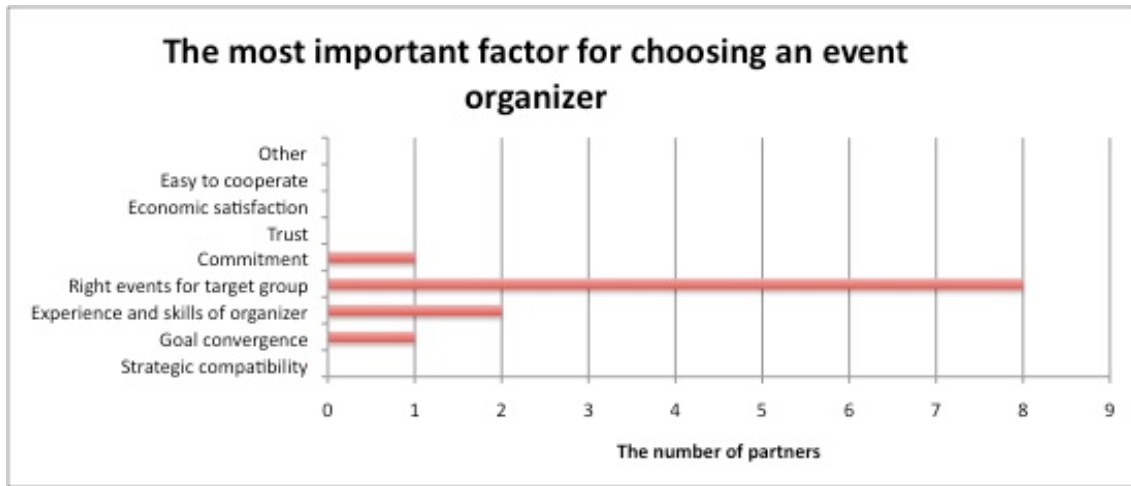
It can be added to the goals of property in this case that they want to add credibility of their events through specialist and focal companies of the industries. IIR sets certain criteria to which companies they want to be associated with, more specifically they only consider co-marketing alliance with the top five companies of their industries. This would suggest that the image transfer referred in the literature review works both ways.

The informant also shared his view about how successful partnerships are created. One very important factor is that partners are able to influence the content of the event. Sometimes the partners are involved in the content planning, as an example, IIR organized a retail seminar, where the three partners had also either participated in a planning committee for the event, or gave a specialist speech. This is very much aligned with the view of Bucklin and Sengupta (1993) about co-marketing alliances; they put an emphasis on the coordination among the partners. This coordination according to them can vary from marketing to even production. In the case of the retail seminar, the partners were highly involved in the production.

Coming back to the success factors, as mentioned earlier according to IIR Finland the most important thing is that there are mutual goals to which both parties are committed. Farrelly & Quester (2005) found out that strategic compatibility, goal convergence, commitment, trust, and economic and noneconomic satisfaction were the central themes that emerged from their study of sport sponsorships as co-marketing alliances. However the majority of partners, 8 of them, indicated clearly from the survey that the most important factor is that the events are aligned with the needs of the target group. Also, experience of the event organizer, goal convergence, and commitment was given support in the questionnaire, see the table 9 below. The importance of right target group was identified also in another question, when asked about the reasons to choose specifically IIR's events (Table 10).

In the light of these findings, it seems that the theory of Farrelly & Quester (2005) was only partially supported. According to the authors for a sponsorship relationship to work successfully as an alliance when those five above mentioned factors were present in the relationship. Their initial research study was conducted within the context of large-scale sport sponsorship, which may partially explain the difference. As most companies, who act as sponsors in large-scale sporting events are large corporations serving the mass market, such as Coca-Cola or Nike.

*Table 9. The Most Important Factor for Choosing an Event Organizer*



*Table 10. Reasons to Choose IIR Finland's Events*



### **7.2.5 Summary of the Discussion**

In the light of above analysis, we can now go back to the figure 8 in the page 54. The theoretical framework showed an interpretation of how alliances work, and presented the different phases of the relationship as they influence each other. The framework

consisted of objectives for alliance, the alliance activities, performance, measurement, and factors that influence the success of the alliance.

Below is figure 9, a corrected illustration to depict co-marketing alliances in the context of case study. Starting from the goals of event participation, awareness among the target group and influencing the decision makers were the main two objectives found in the study, those two objectives are included to corporate, product and sales objectives, as classified by Meenaghan (1983). Thus, it can be said that the data from questionnaire and interview was mostly aligned with the literature. Another point that was highlighted by the partners and the event organizer was the importance of networking, and making new contacts.

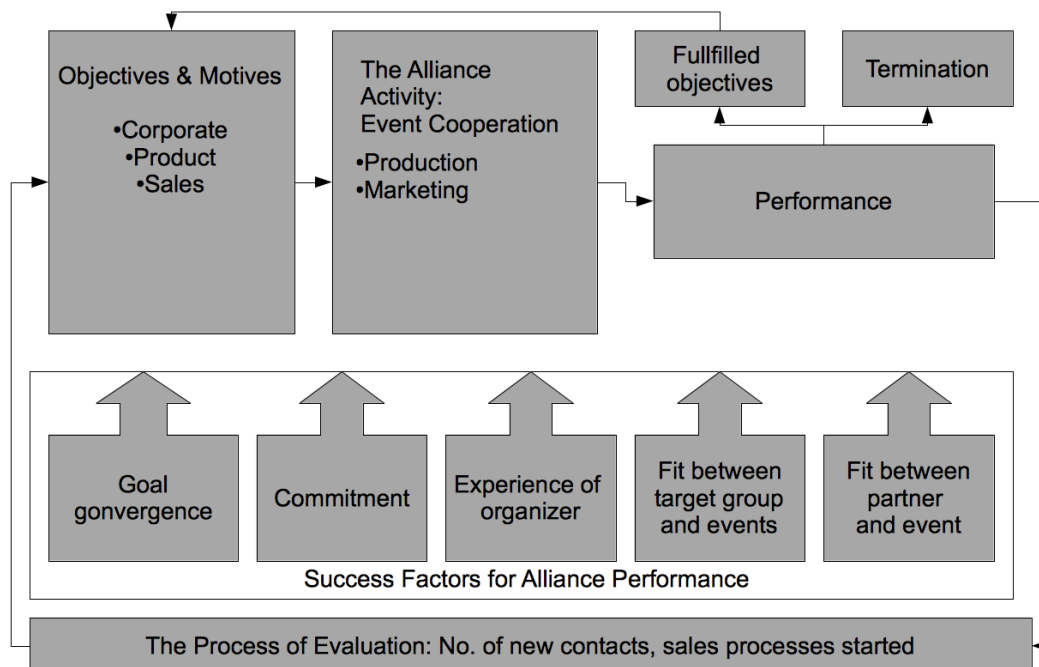


Figure 9. Amended Framework for Co-Marketing Alliance in Events Industry.

In the literature it was established that co-marketing alliance activities can vary from production to mere marketing activities. This is an important notion that describes the nature of co-marketing alliance very well, and this issue was confirmed also in the case study. The cooperation has characteristics that are definitely regarded as participating on the production, as discussed in the previous section. Especially planning the event content, and participating with a speech or presentation in the actual event were identified among some of the partners. In terms of marketing activities, awareness, influencing the potential customers, brand image transfers in terms of associating to the topic of the event, and customer relationship management (CRM) was found as primary characteristics for the marketing in the events. This is also mostly aligned with the literature, the customer relationship management did not appear in literature in this context at all. Mostly the literature on event marketing deals with event sponsorship in large scale sport events, where the objective is more to increase corporate awareness or goodwill. In this case however, CRM is crucial part of the event, the ability to meet and greet current and potential customers and have much needed time for face to face meeting time is very important. The importance of the right target group was emphasized many times in the data, as well as the possibility to create contacts.

Another part that required some amendment is the factors that, according to Farrelly & Quester (2005), affect the success of the partnership. The data from the case study shows quite clearly that common goals and commitment are important for the partner's and the property. However, there were other factors that emerged throughout the study that cannot be overlooked. These factors are associated to the event type and the skills of the event organizer: right events for the right target group, fit between partner's firm and event.

The measurement process seem to be very sales oriented, the number of new leads and sales as the main metrics. In the literature, Tripodi (2001) for example stresses the importance of measuring marketing effects against the objectives. In this case none of



the partners identified new sales as their objective for event participation. Maybe this should be interpreted that the partner's rely on long term effects, increasing the awareness among their target group, gathering new contacts and sales leads that finally will turn into sales, and revenue.

## **8. CONCLUSIONS**

The final chapter provides a summary of the study. First section 8.1 briefly summarizes the main points of the theoretical part of the study, and then the next section presents the research questions and their answers, thus going through briefly the main findings of this thesis.

### **8.1. Research Summary**

The guiding research problem in this study was to investigate the reasons behind formation of co-marketing alliances, and how is their value determined. The case company gave the initial motivation for this study, but also the topic seemed interesting from the point of view of existing literature.

The study begun with the theoretical part, chapters 2, 3 and 4 went through literature on event sponsorship, co-marketing alliances, and evaluation issues, respectively. Chapter 2 looked at sponsorship, its definitions, objectives, then continuing to the brand related effects of sponsorship, the network view, and the resource-based approach. Chapter 3 moved on to the literature on business alliances, especially on co-marketing alliances, and whether sponsorship could be regarded as a co-marketing alliance. Chapter 4 then reviewed briefly issues related to evaluating of marketing, and especially evaluation of event sponsorship and co-marketing alliances.

The theoretical framework was then developed on the basis of the prior literature, basing especially on the work of Townsend (2003). The framework can be described as a process for co-marketing alliance, where each block affects the next. The framework included the motives, the alliance activity itself, performance evaluation, and the on-going measurement process and the success factors. The research questions were

leading the study together with the above-described theoretical framework. Research questions were following: 1) What are the objectives and outcome of forming a co-marketing alliance in the context of sponsorship in the field of management education? 2) How can the outcome of sponsorship as a co-marketing alliance be evaluated? What kind of metrics are in use in companies? 3) What are the key success factors in co-marketing alliance in the context of sponsorship? To answer these questions a survey questionnaire was sent to 29 partners of IIR Finland, of which 13 responded. In addition one interview was conducted with the management of IIR Finland.

## **8.2 Summary of Main Findings**

This section presents the main findings, that were discussed in greater detail in section 7.2. The main research problem was: Why are co-marketing alliances formed and how is their value determined? These following research questions were set to explore the problem.

The first research question was concerned with the objectives and outcome of forming a co-marketing alliance in the field of management education. The four most common motives for participating as partners in events organized by IIR Finland were: to increase the awareness of the product, service or the company itself, gaining an access to a specific customer segment, helping the sales force to find potential customers, and influencing customers and decision makers. The partners regarded that the goal achievement has been quite successful. On the basis of the discussion in section 7.2, the outcome of the event cooperation with IIR Finland is three fold: it increases the visibility and awareness of the partners among their target groups, ables them to gain new contacts of potential customers and maintain relationships with current customers, and gives them the possibility to associate themselves to the topic of the event. The point of view of the property is slightly different; their primary objective to develop event cooperation into long-term co-marketing alliance is not only to ensure the continuous participation fees, but also to add to their credibility as an event organizer by

associating itself to the top firms of industries depending on the topic of the event.

The second research question was set to find out how to evaluate the outcome of this kind of event cooperation. The most important issue for determining the success or failure of the co-marketing alliance is to look at the objectives and their achievement. In this case the results were overall positive, suggesting that the cooperation has been successful. Some challenges that were associated to the goal achievement were low number of attendees or non-decision makers at the event; also the uncertainty of whether the goals are reached was identified as the main reason. This in turn would suggest that the metrics used for post-event evaluation were somehow lacking. This is where the next question continues, the third research question attempted to find out what kind of metrics are used in companies to measure the effects of event marketing. The main metrics were the number of new contacts/sales leads, and sales. Value, as the financial contribution from the alliance, was found to be very difficult to measure. Only one partner, a long-term partner to be specific, was able to give a specific amount in euros, and other either did not know it or estimated it as being quite small contribution. In conclusion, the alliance evaluation seems to be positive, when looked at the satisfaction of the partners in terms of goal achievement, and continuity of the relationships.

The final research question investigated the key success factors in co-marketing alliance. There were many different factors identified in the case study, but it seems that there were two groups of important issues found in this case. The first group deals with the most important reasons for choosing IIR Finland's events, these were the fit between the partner and the event, and the ability to get access to new contacts. The other group consists of factors that both parties found fundamental in event cooperation. Goal convergence was one that was identified by both parties. Also the fact that events are aligned with the needs of the target group, experience of the event organizer, and commitment to relationship were other issues that emerged from the partner's side.

### **8.3 Limitations**

This section presents the limitations of this study. First of all the nature of this study as a single-case study may diminish the ability to make further generalizations of this study, as pointed out in the research design chapter. However, the intention of single-case study is to investigate the phenomenon in deeper level. Regarding the case company, it could be considered as a good representative of management training event organizer companies, thus making the results applicable on other similar cases.

The data of the thesis was only gathered from Finland, limiting the geographical scope of this study. Also, regardless of the rather high response rate (45 %) the sample size was quite small, although the questionnaire was sent to 29 companies, only 13 responded to it. This means that any major conclusions cannot be made, but still it shows a general idea on how co-marketing alliances work in the management education industry can be articulated.

Another limitation concerns the language. All the material, journal articles and books, used in the literature review and formulation of theoretical framework were in English. The mother tongue of the researcher is Finnish, as well as the respondents' who answered the questionnaire. For that reason the survey was made in Finnish. All the results of the survey were then translated back to English to the research report. This changing back and forth in two different languages might have caused some nuances to be lost in translation.

## **8.4 Managerial Implications**

In this section some managerial points of interest, based on the findings of this study, are discussed. First of all co-marketing alliance is a good perspective to look at event marketing cooperation, and it seems to reflect the reality also outside large-scale sport sponsorships, like in this case in management education industry. Overall the experiences from event cooperation are positive and they seem to provide certain advantages. The reason what makes events such a memorable marketing tool is the possibility for actually meeting the decision makers under the same roof. This is much more effective communication platform, as opposed to mailings, or even phone calls. Through event the companies can start or continue to build more personal relationships with their current and potential customers.

Concerning the planning stage, the event organizer can utilize the specialist knowledge of their partners already in the planning phase of the event. Some partners explicitly expressed their interest for presentations and speeches during the event itself. This will create a win-win situation; the partners have the possibility to influence the content, if they so wish, and the organizer benefits from the specialist knowledge. At this point, the event organizer should be aware of the goals of the each partner, and has a plan to help the partners to reach their objectives. For certain partners who wish to have a possibility to differentiate themselves from their competitors in the same event, maybe arrangements such as title sponsorships could be used.

For a firm that is interested in engaging in event cooperation, they should make sure they realize its full potential, it is quite ideal for business to business marketers that operate in certain niche areas. Participating in a management seminar that deals with specific field, it is easy to increase the awareness among their target group, and make also the initial contacts with them. This is a perfect timing to showcase their knowledge by making a presentation at the event.

## **8.5 Suggestions for further research**

Although there is vast knowledge on the topic of business alliances and event marketing, the theoretical developments are still needed to push the boundaries of practical knowledge. More research is definitely needed especially on co-marketing alliances and many implications of event marketing, especially the evaluation and measurement issues, as established in the chapter 1.

Another study that would be interesting is to look at the attitudes of the customers, the event attendees, and how their perceptions towards the sponsors have changed compared with before and after the event. In addition, conducting a larger and deeper, quantitative research on the measurement issues would be beneficial. This would require sample of firms that are very active on event marketing, to better evaluate the effects of long-term event participation.

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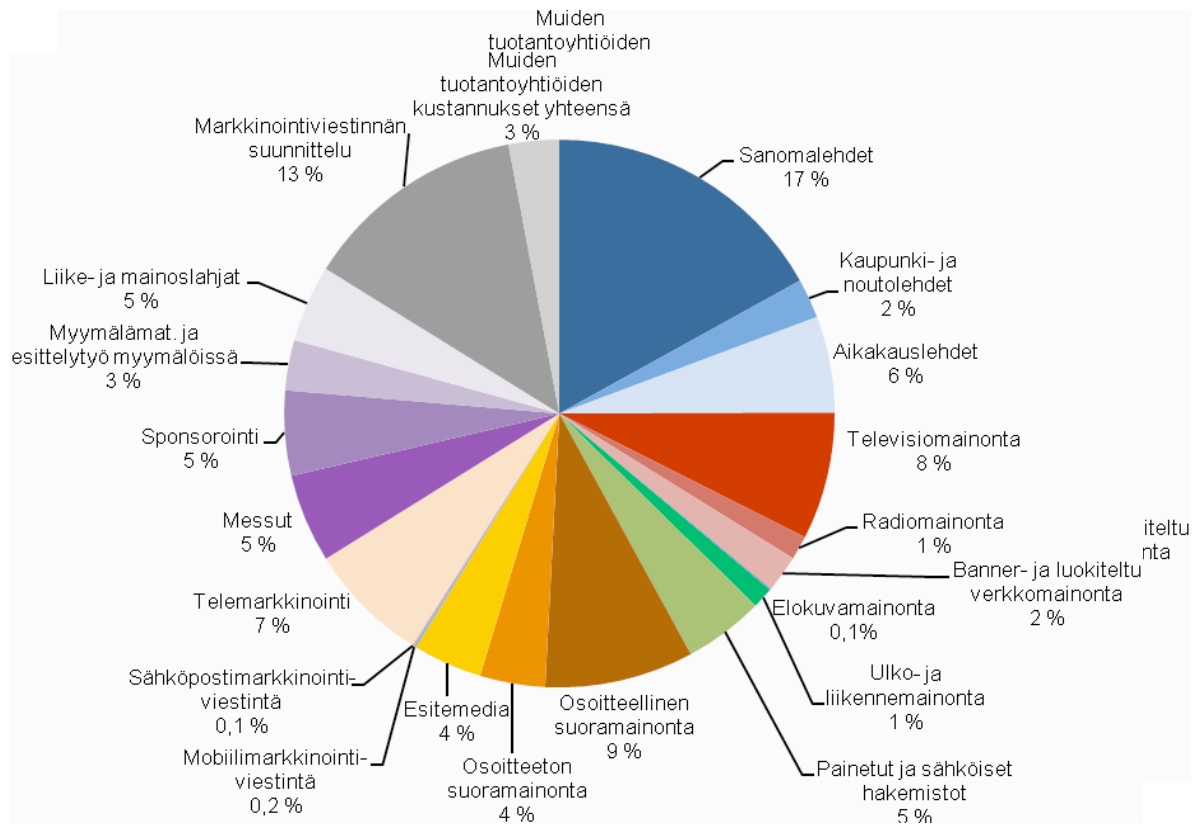
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## APPENDICES

Appendix 1. Marketing communications expenditure in Finland (Mainonnan Neuvottelukunta 2009)

**Kuva 1 Markkinointiviestimien osuus mainonnasta suunnittelu- ja tuotantokustannuksineen v. 2008 (ns. “suuri mainoskakku”, 3.6 mrd euroa)**





**Taulukko 1 Markkinointiviestinnän määrän kehitys (Milj.euroa, käyvin hinnoin)**

	2007 milj.€	2008 milj.€	07/08 M-%*	2008 Osuus-%
<b>MEDIAMAINONTA</b>				
Päivälehdet (4-7 krt/vk ilmestyvät sanomal.)	555	537	-3,3	15,0 %
1-3 krt viikossa ilmestyvät sanomalehdet	67	68	+1,0	1,9 %
Sanomalehdet yhteensä	622	605	-2,8	16,9 %
Kaupunki- ja noutolehdet	86	83	-2,8	2,3 %
Sanoma- ja kaupunkilehdet yhteensä	708	688	-2,8	19,3 %
Yleisölehdet	108	101	-6,0	2,8 %
Ammatti- ja järjestölehdet	84	80	-4,1	2,2 %
Asiakaslehdet	19	21	+13,8	0,6 %
Aikakauslehdet yhteensä	210	203	-3,5	5,7 %
Painetut hakemistot	91	94	+3,5	2,6 %
Painetut mediat yhteensä	1009	985	-2,4	27,6 %
Televisiomainonta	262	268	+2,3	7,5 %
Banner- ja luokiteltu verkkomainonta	62	78	+25,7	2,2 %
Sähköiset hakemistot ja hakusanamainonta	51	74	+44,7	2,1 %
Verkkomediamainonta yhteensä	113	152	+34,2	4,2 %
Radiomainonta	47	51	+7,4	1,4 %
Elokuvamainonta	2,3	3,1	+32,8	0,1 %
Sähköinen mainonta yhteensä	424	473	+11,5	13,3 %
Ulko- ja liikennemainonta	42	44	+4,7	1,2 %
Mediamainonta yhteensä	1475	1502	+1,8	42,1 %
<b>SUORAMARKKINOINTI</b>				
Osoitteellisen suoram. jakelukustannukset	137	132	-3,5	3,7 %
Osoitteellisen suoran tuot. kust. (L)	185	181	-2,5	5,1 %
Osoitteellinen suoramainonta yhteensä	322	313	-2,9	8,8 %
Osoitteettoman suoram. jakelukustannukset	68	72	+6,1	2,0 %
Osoitteettoman sm. tuot. kust. (L)	59	65	+11,8	1,8 %
Osoitteeton suoramarkkinointi yhteensä	126	137	+8,7	3,8 %
Esitemedia	139	145	+4,0	4,1 %
Mobiilimarkkinointiviestintä	4	6	+50,0	0,2 %
Sähköpostimarkkinointiviestintä	3	3	0,0	0,1 %
Telemarkkinointi	236	255	+8,1	7,1 %
Koko suoramainonta yhteensä	830	858	+3,4	24,0 %
<b>MENEKINEDISTÄMINEN</b>				
Messut (A, L)	178	187	+5,1	5,2 %
Sponsorointi (A)	166	179	+7,8	5,0 %
Myymälämateriaalit ja esittelytyö myymälöissä (A)	104	106	+1,9	3,0 %
Liike- ja mainoslahjat (A)	155	162	+4,5	4,5 %
Menekinedistäminen yhteensä	603	634	+5,1	17,8 %
Markkinointiviestinnän suunnittelu	440	470	+6,8	13,2 %
Muiden tuotantoyhtiöiden kustannukset yhteensä	99	106	+6,7	3,0 %
<b>MARKKINOINTIVIESTITIMET YHTEENSÄ</b>	<b>3449</b>	<b>3570</b>	<b>+3,5</b>	<b>100,0 %</b>

L= Laskettu, kokonaisluku perustuu laskennalliseen kaavaan, A= Arvioitu tutkimus- tai yritystietojen perusteella

## Appendix 2. Survey questionnaire for the partner firms

### Kysely Yhteistvökumppaneille

1. a) Yrityksen toimiala \_\_\_\_\_  
b) Tehtäväsi yrityksessä \_\_\_\_\_

2. Merkitkää ruutuihin tavoitteenne tapahtumayhteistyöstä IIR Finlandin kanssa, niin monta kuin tavoitteita on. (1= tärkein, 2= toiseksi tärkein jne.) Arvioikaa sen jälkeen tavoitteiden toteutumista (K= toteutunut, E= ei toteutunut EOS = en osaa sanoa)

Tavoitteet		K	E	EOS
Kasvattaa yleistä tunnettuutta				
Muuttaa yrityskuvaa				
Hyväntahdon eleenä päättäjien ja mielipidevaikuttajien keskuudessa				
Vaikuttaa asiakkaisiin ja päättäjiin				
Vaikuttaa viranomaisiin ja/tai osakkeenomistajiin				
Avustaa rekrytoinnissa				
Tietyn asiakassegmentin tavoittaminen				
Auttaa myyjiä löytämään potentiaalisia asiakkaita				
Kasvattaa tuotteen/palvelun/yrityksen tunnettuutta kohderyhmän keskuudessa				
Muuttaa käsitystä tuotteesta/palvelusta/yrityksestä kohderyhmän keskuudessa				
Kasvattaa asiakasrekisteriä?				
Muut tavoitteet, mitä?				

3. Mikäli tärkein tavoitteesi ei ole täytynyt, osaatteko kertoa syitä tähän?

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4. Miten mittaatte tavoitteiden saavuttamista?

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5. Osaatteko arvioida tapahtumamarkkinoinnin tuomaa rahallista vaikutusta yrityksen tulokseen?

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**6. Mitkä ovat suurimpia haasteita tavoitteiden saavuttamisen kannalta tapahtumayhteistyössä? (1= Ei lainkaan, 5= Erittäin haasteellinen)**

Rajallinen mahdollisuus vaikuttaa tapahtuman sisältöön.....	1 2 3 4 5
Rajallinen mahdollisuus vaikuttaa tapahtuman markkinointiin.....	1 2 3 4 5
Vaikeus integroida tapahtumat muuhun omaan markkinointiin.....	1 2 3 4 5
Vähäinen osallistujamäärä tapahtumassa.....	1 2 3 4 5
Osallistujat eivät ole oikeaa kohderyhmää.....	1 2 3 4 5
Epätieto tavoitteiden saavuttamisessa.....	1 2 3 4 5

**7. Mitkä ovat suurimpia haasteita tavoitteiden seurannassa? (1= Ei lainkaan, 5= Erittäin haasteellinen)**

Vaikeus erottaa tapahtuman vaikutukset muista	
markkinointitoimenpiteistä.....	1 2 3 4 5
Mittareiden puute.....	1 2 3 4 5
Ajan tai resurssien puute.....	1 2 3 4 5
Ei relevanttia mitata tavoitteita.....	1 2 3 4 5

**8. Mitkä seikat koette tärkeimmiksi tapahtumamarkkinoinnissa? (1= Ei lainkaan, 5= Erittäin tärkeä)**

Tapahtuman ja yrityksen välinen sopivuus.....	1 2 3 4 5
Tapahtuman järjestäjä ottaa huomioon yhteistyökumppanin toiveet.....	1 2 3 4 5
Mahdollisuus vaikuttaa sisällöllisesti tapahtumaan.....	1 2 3 4 5
Mahdollisuus kutsua omia osallistujia.....	1 2 3 4 5
Mahdollisuus osallistua tapahtuman markkinointiin.....	1 2 3 4 5
Esittelytila tapahtuman yhteydessä.....	1 2 3 4 5
Yrityksen näkyvyys markkinointimateriaaleissa ennen tapahtumaa.....	1 2 3 4 5
Mahdollisuus räätälöityihin lisäpalveluihin.....	1 2 3 4 5
Mahdollisuus saada osallistujien yhteystiedot.....	1 2 3 4 5
Mahdollisuus luoda uusia kontakteja.....	1 2 3 4 5

**9. Merkitkää ruutuihin kohderyhmänne IIR Finlandin tapahtumissa?**

Nykyiset asiakkaat	
Kilpailijoiden asiakkaat	
Muut potentiaaliset asiakkaat	
Suurten yritysten päättäjät	
Pk-yritysten päättäjät	

Rahoittajat	
Henkilöstö	
Tiedotusvälineet	
Muu, mikä?	

10. Mitä seuraavista brandin kehittämisen osa-alueista pyritte saavuttamaan tapahtumayhteistyön avulla?

Brandin tunnettuus	
Brandi-imagon kehittäminen	
IIR Finlandin brandiin assosioituminen	
Tapahtuma-brandiin assosioituminen	
Tapahtuman aiheeseen assosioituminen	
Brandi-elämyksien luominen	
Brandi-uskollisuuden parantaminen	
Muuta, mitä?	

11. Mitä lisäarvoa osallistuminen ulkopuolisen järjestäjän tapahtumaan tuo yritykselle?

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12. Mitkä ovat suurimmat haasteet ulkopuolisen järjestäjän tapahtumaan osallistuessanne?

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13. Miten olette hyödyntäneet tapahtumat, jossa olette olleet kumppaneina?

Esittelemällä uusia tuotteita tapahtumassa	
Hyödyntämällä osallistujien yhteistietoja	
Markkinoimalla itse tapahtumaan omille sidosryhmille	
Kutsumalla omia asiakkaita tai muita sidosryhmiä tapahtumaan	
Hyödyntämällä esittelytilaa tapahtumassa	
Käyttäneet tapahtumaa sisäiseen markkinointiin	
Muuta, miten?	

**14. Millä perusteella valitsette ulkopuolisen tapahtumajärjestäjän?**

Osapuolien strateginen sopivuus	
Yhteiset tavoitteet	
Tapahtumajärjestäjän kokemus ja/tai ammattitaito	
Kohderyhmällesi sopivat tapahtumat	
Osapuolien sitoutuminen yhteistyöhön	
Luottamus	
Taloudellinen tyytyväisyys	
Yhteistyön helppous	
Muu, mikä?	

**15. Mikäli yhteistyö on ollut pitkäaikaista, tuoko se erityistä lisäarvoa yhteistyölle?**

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**16. Mitkä seikat koette tärkeimpinä kriteereinä osallistuaksenne juuri IIR Finlandin tapahtumiin? (1= Ei lainkaan tärkeä, 5= Erittäin tärkeä)**

Yrityksen uskottavuus.....	1	2	3	4	5
Tapahtuman uskottavuus.....	1	2	3	4	5
Yrityksen tunnettuus.....	1	2	3	4	5
Tapahtuman tunnettuus.....	1	2	3	4	5
Tapahtuman luonne.....	1	2	3	4	5
Tapahtuman koko.....	1	2	3	4	5
Kohderyhmän sopivuus.....	1	2	3	4	5
IIR Finlandin ja yrityksenne sopivuus tukee toisiaan.....	1	2	3	4	5
Tapahtuman ja yrityksenne sopivuus tukee toisiaan .....	1	2	3	4	5
Henkilökohtaiset suhteet.....	1	2	3	4	5

**17. Miten toivoisitte yhteistyösuhteen IIR Finlandin kanssa kehittyvän?**

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**18. Osallistutteko muiden ulkopuolisten tapahtumajärjestäjien tilaisuuksiin? Kyllä \_\_\_\_\_ Ei \_\_\_\_\_**

**Jos kyllä, niin kenen?** \_\_\_\_\_

**Ja mihin tapahtumiin?** \_\_\_\_\_

**Järjestätekö omia tapahtumia?** Kyllä \_\_\_\_\_ Ei \_\_\_\_\_

**Jos kyllä, niin mitä tapahtumia järjestätte?** \_\_\_\_\_

**Kiitos vastauksistanne!**